APPRAISAL OF

EAGLE POINT PROPERTY

Mason County
Township 20 North, Range 03 West, W.M.
Section 21 (portion of)



EFFECTIVE DATE:

May 12, 2016

DATE OF REPORT:

JUNE 10TH, 2016

PREPARED FOR:

Laurence Reeves
Conservation Project Manager
Capitol Land Trust
209 4th Ave E Ste 205 | Olympia, WA 98501
360.943.3012 | CapitolLandTrust.org

PREPARED BY:

Gregory Richards

Richards & Associates

3010 99th Lane SE Olympia, Washington, 98501 (360) 584-8407

June 10th, 2016

Laurence Reeves
Conservation Project Manager
Capitol Land Trust
209 4th Ave E Ste 205 | Olympia, WA 98501
360.943.3012 | CapitolLandTrust.org

RE: EAGLE POINT PROPERTY

DEAR MR. REEVES,

At your request, we have prepared an appraisal on a 15.16-acre property, comprised of two tax parcels located in Mason County, Washington. The purpose of this appraisal is to offer an opinion of the market value of the subject property, as of May 12th, 2016.

The appraisal and accompanying appraisal report have been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP, 16-17 edition). This report is also in conformance with the reporting requirements set forth under the Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book").

This appraisal employs the following Hypothetical Condition: The subject's tideland parcel, 32021-32-60570, is comprised of 5 government lots. The easternmost lot has a dock trespass. The client has instructed that we not include the lot with the apparent trespass issue in the valuation. Therefore, that tax parcel is being appraised in a way contrary to how the boundary legally exists. This is a Hypothetical Condition as define by USPAP.

This appraisal also employs an Extraordinary Assumption in regards to the acreage. This appraisal relies on GIS acreage as derived from the county's tax parcel shapefile. Assessor acres are listed as 0 and .01 for the subject parcels, which is inaccurate. Therefore, this appraisal uses 15.16 combined GIS acres and makes the assumption that the GIS data, as provided by the county, is both accurate and the most reliable source for the subject's acreage.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. Your attention is directed to the Limiting Conditions and Assumptions. Acceptance of this report constitutes an agreement with these conditions and assumptions.

Based on the research and analysis documented in this report, it is my opinion that the value of the subject property, in terms of cash and as of May 12th, 2016 is as shown below:

Opinion	of	Market	Value
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This appraisal relies on a Hypothetical Condition and Extraordinary Assumption that may have impacted the value.

Richards & Associates

Gregory Richards

Certified General Real Estate Appraiser

Washington State Certification #1101079

Expiration Date 09/30/2017

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Part I. Certification Statement

I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions, and conclusions of the appraiser.
- Neither Richards & Associates nor the appraiser have any present or prospective interest in the property appraised and no personal interest or bias with respect to the parties involved.
- The compensation received by the appraiser for the appraisal is not contingent on the analyses, opinions or conclusions reached or reported.
- The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice*.
 and the Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book")
- I have not performed any prior services regarding the subject property, as an appraiser, or in any other capacity, within the 3-year period immediately preceding acceptance of this appraisal assignment.
- The site was inspected by Greg Richards, from the ground.
- Based on the research and analysis documented in the report, it is my opinion that the market value as of May 12th, 2016 of the subject property is as follows:

	Opinion of Market Value	
15.16 acres		\$152,000 (rounded)

This appraisal relies on a Hypothetical Condition and Extraordinary Assumption that may have impacted the value.

Gregory Richards

Certified General Real Estate Appraiser Washington State Certification #1101079

Expiration Date 09/30/2017

Statement of Assumptions and Limiting Conditions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

- This appraisal is to be used only for the purpose stated herein by the parties named herein.
- No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media without the appraiser's written consent.
- All files, work papers and documents developed in connection with this assignment are the property
 of this appraisal firm. Information, data, estimates and opinions furnished by other parties are
 verified where possible, but cannot be guaranteed.
- Good title, free of liens, encumbrances and special assessments, except as noted elsewhere, is assumed. The appraiser does not assume legal liability for the accuracy of the title.
- It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.
- Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.
- The legal description(s) and easement descriptions used in this report are assumed to be correct.
- Surveys used in this report are assumed to be correct.
- No hidden or unapparent conditions of the property or subsoil which would make the property more or less valuable were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. No environmental impact studies were requested, made or provided to the appraiser, other than may be referenced in the report. The appraiser reserves the right to amend any value opinions based on any subsequent studies.
- Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.
- It is assumed that the use of the land is within the legal boundaries and legal rights of the property
 described and that there are no encroachments or trespass unless otherwise noted within this
 report.
- The appraiser is not required to give testimony in Court in connection with this appraisal. If the
 appraiser is subpoenaed pursuant to a court order, the client agrees to pay the appraiser's regular
 per diem rate plus expenses.
- Appraisals are based on the data available at the time the assignment is completed.
 Amendments/modifications to appraisals based on new information made available <u>after</u> the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Summary of Salient Facts and Conclusions

Summary of Sallent Facts and	Property Identi	fication				
Property Appraised			int Property	,		
	Parcel Number	GIS Acres	<u>Township</u>	<u>Range</u>	<u>Section</u>	
Parcel Numbers	320213260570 320215100001	3.78 11.38	20N 20N	03W 03W	21 21	
Property Owner	The owner of reco Port of Shelton The owner of reco Port of Shelton, a N	rd per title	report:		ı	
Improvements	There are no struproperty.	ıctural imp	rovements i	noted on	the subject	
Interests Appraised	The interest appraised is the subject property's fee simple interest, less existing encumbrances as mentioned throughout the this report and shown in the title report.					
Site Size	15.16 acres per GIS					
Zoning	Parcel 320213260570 is the tideland parcel and is not zoned. The upland parcel (320215100001) is zoned General Commercial. The neighboring tracts are R-5, which is the most logical zoning for the subject, had it not been owned by the Port of Shelton.					
	Appraisal Infor	Illation				
Effective Date of Valuation	May 12th, 2016					
Date of Report	June 10th, 2016					
Applicable Standards & Compliance	Uniform Standards of Professional Appraisal Practice (2016-2017 version) and the Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book")					
Report Type	Appraisal Report (formerly known as a "Self Contained Report")					
Appraisal Purpose	The purpose of this appraisal is to offer an opinion of the fee simple market value of the subject property.					
Appraisal Use	This appraisal and voluntary acquisit	•			•	

	Shelton (facilitated by Capitol Land Trust).					
Client	The client of this report is Capitol Land Trust. Capitol Land Trust and City of Shelton are the only intended users of this appraisal and its results and conclusions.					
I	Highest and Best Use Conclusion					
Highest and Best Use	The Highest and Best Use of the subject is the same as the comparable sales, to hold for future residential uses ¹ .					
Extraordinar	y Assumptions and Hypothetical Conditions					
Extraordinary Assumptions Hypothetical Condition	 One Extraordinary Assumption was employed in this report. This appraisal relies on GIS acreage as derived from the county's tax parcel shapefile. Assessor acres are listed as 0 and .01 for the subject parcels, which is inaccurate. Therefore, this appraisal uses 15.16 combined GIS acres and makes the assumption that the GIS data, as provided by the county, is both accurate and the most reliable source for the subject's acreage. One Hypothetical Condition was utilized in this appraisal report. The subject's tideland parcel, 32021-32-60570, is comprised of 5 government lots. The easternmost lot has a dock trespass. The client has instructed that we not include the lot with the apparent trespass issue in 					
	the valuation. Therefore, that tax parcel is being appraised in a way contrary to how the boundary legally exists. This is a Hypothetical Condition as define by USPAP.					
Value Conclusion						
	Opinion of Market Value					
15.16 acres	\$152,000					
The use of a Hypothetical Condition	and Extraordinary Assumption may have impacted the value.					

¹ The Appraisal of Real Estate suggests that the appraiser's determination of Highest and Best Use must only be as specific as the market dictates - the appraiser has done this through the use of very similar comparable sales.

Scope of the Appraisal

The Scope of Work is the amount and type of information researched and the analysis applied in an assignment. The appraiser is responsible for determining the appropriate scope of work in the appraisal assignment, given the client's intended use and the nature of the problem to be solved.

Scope of work includes, but is not limited to:

- The extent to which the property is identified;
- The extent to which tangible property is inspected;
- The type and extent of data researched; and
- The type and extent of analyses applied to arrive at opinions or conclusions.

The appraisal process and report conform to USPAP and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA aka, "Yellow Book"). This is an Appraisal Report in Compliance with reporting requirements set forth under USPAP SR2-2(a). While the area below is labeled "Scope of Work" the actual scope of work is addressed throughout this entire report. A jurisdictional exception is invoked in that an opinion of the subject's marketing and exposure time is not offered per UASFLA guidelines.

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Property Identification and Inspection:

A site inspection of the subject was made from the ground. In addition, satellite imagery, aerial photos, and other site data were examined.

Identification Sources:

- Public Records (for area information)
- Physical inspection, as well as satellite imagery
- Appraiser's files

Analysis of Physical

Factors:

All pertinent physical factors were analyzed and are

described in this report.

Analysis of Economic

All pertinent economic factors were analyzed.

Factors:

The Extent of Data

Research:

The appraiser utilized the following resources to develop the market intelligence necessary to complete this appraisal.

- NWMLS (local realtors/brokers)
- Private Research Firm
- Public Records
- **Appraisal Files**

The Type and Extent of Analysis:

Cost Approach: The Cost Approach was considered, however, it is not an indicator of value when considering similar unimproved tracts.

Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.

Income Approach: The appraiser has considered the Income Approach to value. The timber was not cruised and appraised. The timber was considered as an amenity to the land.

In addition, a subdivision analysis was not completed because the exact number of lots given critical area and other constraints is unknown. Since subdivision is not eminent, this approach is not needed for a credible opinion of value.

Purpose of the Appraisal

Appraisal Purpose

The purpose of this appraisal is to offer an "as-is" opinion of the market value of the subject property. The acquisition tract is comprised two Mason County tax parcels (under a Hypothetical Condition) totaling 15.16 acres.

Intended Use

The client, Capitol Land Trust, intends to use this appraisal report for a potential (voluntary) acquisition of the subject property (Capitol Land Trust is facilitating a transaction for City of Shelton). The report is not intended for any other purpose or for any other reason.

Intended User(s)

This appraisal is intended for the use by the client, Capitol Land Trust. In addition, City of Shelton is also an intended user of this appraisal. No other parties may use this appraisal report, its results or conclusions.

Definition of Value Estimates

The Sales Comparison Approach was used to estimate the market value of the subject property. The appraiser made every effort to utilize sales with similar features as the subject property. Therefore, sales over a broad geographical area were utilized.

Market Value Definition

The yellow book definition of Market Value was utilized:

"Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal."

Source: Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) (2000) Section A-9, Page 13.

Subject Property Photographs





1. Taken Greg Richards on May 12, 2016 - adjacent property is sewage treatment plant



2. Taken Greg Richards on May 12th, 2016 - facing northeast towards subject

Summary of Appraisal Problems

Property Rights

The subject property was appraised in fee simple estate which is defined as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."²

The subject's mineral rights are not intact (both upland and tidelands).

No long term leases on the subject site were made known to the appraiser.

Hypothetical Conditions

"That which is contrary to what exists but is supposed for the purpose of analysis." (USPAP, 2016-2017 ed.) This appraisal report invokes a Hypothetical Condition.

This appraisal employs the following Hypothetical Condition: The subject's tideland parcel, 32021-32-60570, is comprised of 5 government lots. The easternmost lot has a dock trespass. The client has instructed that we not include the lot with the apparent trespass issue in the valuation. Therefore, that tax parcel is being appraised in a way contrary to how the boundary legally exists. This is a Hypothetical Condition as define by USPAP.

Extraordinary Assumption

USPAP defines Extraordinary Assumption as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions."

This appraisal also employs an Extraordinary Assumption in regards to the acreage. This appraisal relies on GIS acreage as derived from the county's tax parcel shapefile. Assessor acres are listed as 0 and .01 for the subject parcels, which is inaccurate. Therefore, this appraisal uses 15.16 combined GIS acres and makes the assumption that the GIS data, as provided by the county, is both accurate and the most reliable source for the subject's acreage.

Unit Rule

In Yellow Book appraisal Unit Rule is defined as, "a valuation rule with two aspects, the first dealing with ownership interests and the second dealing with physical components. The first aspect of the rule, also referred to as the undivided fee rule, requires that property be valued as a whole rather than by the sum of the values of the various interests into which it may have been carved (such as lessor and lessee, life tenant and remainderman, and mortgagor and mortgagee, etc.). This is an application of the principle that it is the property, not the interests, that is being acquired. The second aspect of the rule is that different physical elements or

² The Dictionary of Real Estate Appraisal, 4th Edition, Appraisal Institute, Chicago, IL 2002

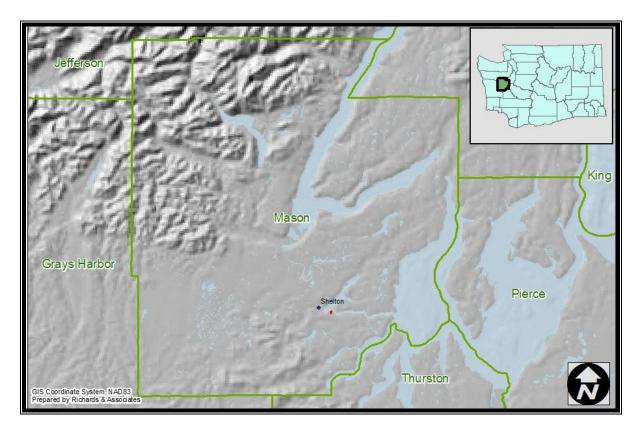
components of a tract of land (such as the value of bottomlands and uplands, etc.) are not to be separately valued and added together". ³

This report does not simply add or deduct the value of the waterfront from the upland in order to conclude at a final opinion of value. To do so would be a violation of USPAP and UASFLA (and nearly impossible to categorize the area without a critical area delineation). Instead, the Appraiser considers these elements with respect to the value of the whole property. This is an application of the principle that it is the property, not the various interests, that is being acquired.

 $^{^3}$ The Dictionary of Real Estate Appraisal, $4^{\rm th}$ Edition; Appraisal Institute, Chicago, IL 2002

Part II. Property Description and Area Data

Property Description



The subject property consists of two tax parcels totaling 15.16 acres of vacant land located in Mason County near the city of Shelton. One is a tideland parcel and the other an upland parcel.

Mason County occupies an area of approximately 1,052 square miles and a land area of 967 square miles. 273 square miles of Mason County are within the boundaries of the Olympic National Park and the Olympic National Forest. Puget Sound and Hood Canal account for considerable areas of water in the county. There are 216 lakes which account for 8,683.7 acres.

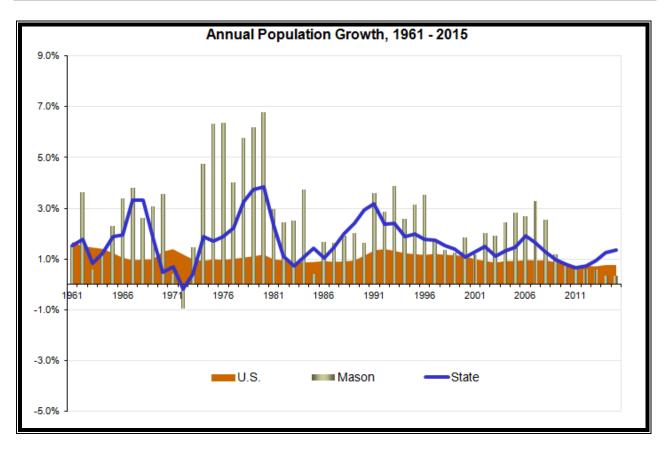
Three principal river systems and numerous small streams drain Mason County. The two largest rivers, the Hamma Hamma River and the Skokomish River, drain the northwestern part into Hood Canal. The southwestern part of the county is drained by the tributaries of the Satsop River, which converge at the southwestern corner of the county and flow south to the Chehalis River. All of the eastern part of the county is drained by lesser streams, which flow short distances before reaching outlets to Puget Sound.

Population

The population of Mason County has slightly increased since 2010. The largest city is Shelton, population 9,777, with the balance of residents living in unincorporated areas. Shelton has seen a 0.7 percent decline in population since 2010.

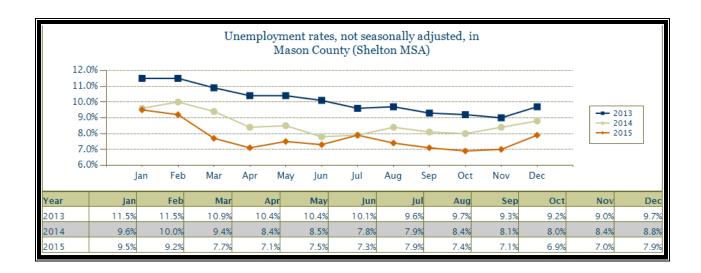
(Source: U.S. Census Bureau QuickFacts)

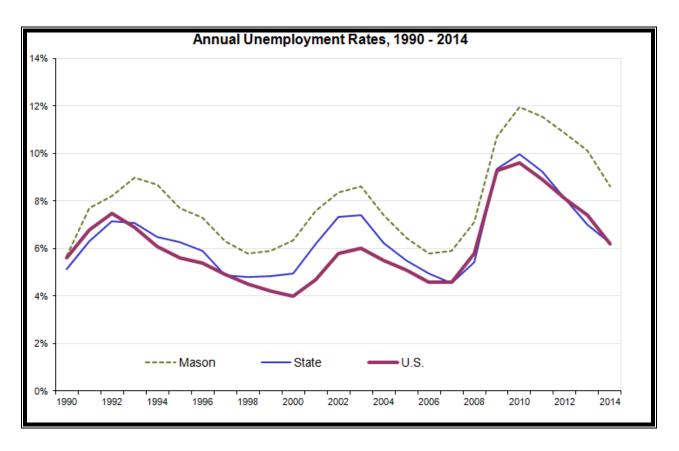
	Mason County	Washington state
Population 2014	60,711	7,061,530
Population 2010	60,699	6,724,543
Percent change, 2010 to 2014	0.0%	5.0%



Unemployment

Mason County has reduced its unemployment rate levels to those last seen in 2008. However, the return to pre-recession employment totals in some industries will be slow. Manufacturing had over 1,900 jobs as recently as 2006 compared to an average of 1,320 so far in 2015. Construction also showed a decline of over 37.0 percent.





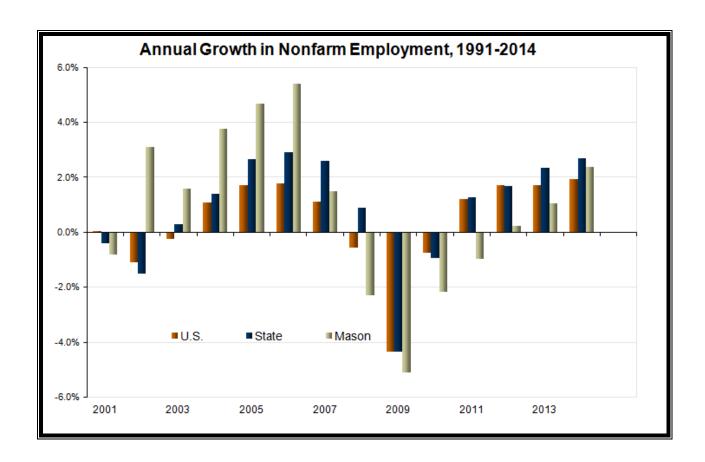
Labor Force

The last 29 months of data have shown Mason County in single digit unemployment, compared to the January 2010 high of 13.9 percent. The November 2015 rate was 6.9 percent, down from 8.4 percent in November 2014.

The labor force has declined on an annual average basis since 2008, when it stood at 25,400. In the first eleven months of 2015 it has averaged 23,225. Some of the drop in unemployment rates results from this declining labor force.

The November 2015 total of 14,700 jobs is 230 more jobs than in November 2014. The largest industries in the Mason County economy remain government (5,560) and trade, transportation and utilities (2,320). The manufacturing industry in November accounted for 1,380 jobs, but saw a loss of 200 jobs over the year. The 2015 industry employment represents a small increase in total nonfarm employment compared to the first eleven months of 2014.

Total nonfarm employment, not seasonally adjusted, in Mason County (Shelton MSA)									
Change									
NAICS industry title (place of work)	Preliminary Dec-15	Revised Nov-15	Revised Dec-14	Nov-15 Dec-15	Dec-14 Dec-15	Dec-14 Dec-15 %			
Total Nonfarm	13,840	14,560	13,690	-720	150	1.1%			
Total Private	8,300	9,010	8,230	-710	70	0.9%			
Goods Producing	2,120	2,180	2,140	-60	-20	-0.9%			
Mining, Logging, and Construction	600	600	680	0	-80	-11.8%			
Manufacturing	1,520	1,580	1,460	-60	60	4.1%			
Service-Providing	11,720	12,380	11,550	-660	170	1.5%			
Trade, Transportation, and Utilities	2,380	3,000	2,320	-620	60	2.6%			
Wholesale Trade	340	950	310	-610	30	9.7%			
Retail Trade	1,820	1,830	1,810	-10	10	0.6%			
Information and Financial Activities	520	520	540	0	-20	-3.7%			
Professional and Business Services	460	470	440	-10	20	4.5%			
Education and Health Services	1,210	1,210	1,280	0	-70	-5.5%			
Leisure and Hospitality	1,200	1,220	1,120	-20	80	7.1%			
Government	5,540	5,550	5,460	-10	80	1.5%			
Federal	70	60	60	10	10	16.7%			
State and Local Government	5,470	5,490	5,400	-20	70	1.3%			
State and Local Government Education	1,440	1,470	1,420	-30	20	1.4%			
Workers in Labor Management Disputes	0	0	0	0	0				



Information from:

https://fortress.wa.gov/esd/employment data/reports-publications/regional-reports/county-profiles/mason-coun

Subject Property Map



Subject Property Data

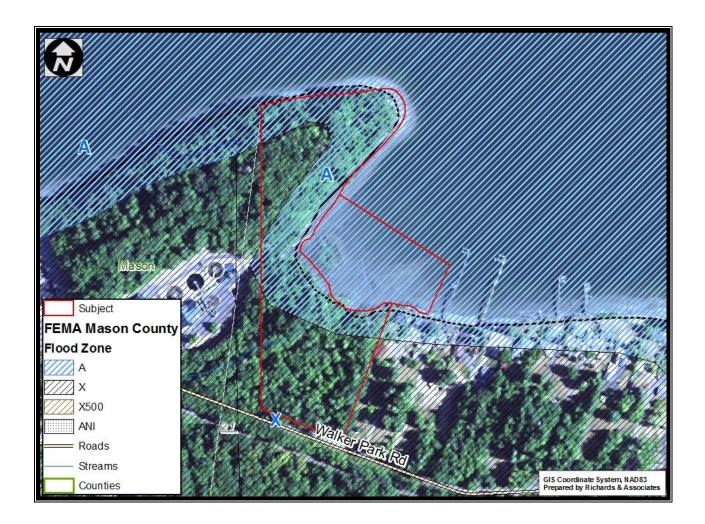
Utilities/Wells

No information regarding utilities was provided to the appraiser by the client. No residential utilities other than power and telephone were observed by the appraiser on the subject itself. According to the Washington Department of Ecology well log database, several wells exist in the area however no wells appear to be located on the subject. Sewer is (presumably) available in the street.

Flood Zone

According to FEMA, the property falls in FEMA Zones X and A. As defined by FEMA, Zone X is area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level and is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

Zone A is within a Special Flood Hazard Area (SFHA) and is defined by FEMA as an area with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. The 1-percent annual chance flood is also referred to as the base flood or 100-year flood. The SFHA is the area where the NFIP's floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies.



Road Access

As shown on the map below, the subject has legal access from Walker Park Road, a paved county road. The northern portion of the tract may be only accessible by foot (or boat) due to critical area constraints.



Easements/Encroachment

See the Title Report. An outwash easement exists over the subject tract. In addition, a railroad easement and pipelines easements exist.

Soil Information

The following Information was obtained from the United States Department of Agriculture Natural Resources Conservation Service. The purpose of this section is to further understand the utility of the land and is not intended to be used as a substitute for a formal soil report.



Map Unit Legend							
	Mason County, Wa	ashington (WA645)					
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI				
Bd	Bellingham silt loam, 0 to 3 percent slopes	2.7	17.8%				
Gm	Grove gravelly sandy loam, 15 to 30 percent slopes	5.7	37.4%				
Sf	Shelton gravelly sandy loam, 5 to 15 percent slopes	3.6	23.7%				
Sg	Shelton gravelly sandy loam, 15 to 30 percent slopes	0.1	0.5%				
Subtotals for Soil Survey A	rea	12.0	79.2%				
Totals for Area of Interest		15.1	100.0%				

Dwellings

In terms of NRCS designations, dwellings are single-family houses of three stories or less. For dwellings without basements, the foundation is assumed to consist of spread footings of reinforced concrete built on undisturbed soil at a depth of 2 feet or at the depth of maximum frost penetration, whichever is deeper.

The ratings for dwellings are based on the soil properties that affect the capacity of the soil to support a load without movement and on the properties that affect excavation and construction costs. The properties that affect the load-supporting capacity include depth to a water table, ponding, flooding, subsidence, linear extensibility (shrink-swell potential), and compressibility. Compressibility is inferred from the Unified classification of the soil. The properties that affect the ease and amount of excavation include depth to a water table, ponding, flooding, slope, depth to bedrock or a cemented pan, hardness of bedrock or a cemented pan, and the amount and size of rock fragments.

The ratings are both verbal and numerical. Rating class terms indicate the extent to which the soils are limited by all of the soil features that affect the specified use. "Not limited" indicates that the soil has features that are very favorable for the specified use. Good performance and very low maintenance can be expected. "Somewhat limited" indicates that the soil has features that are moderately favorable for the specified use. The limitations can be overcome or minimized by special planning, design, or installation. Fair performance and moderate maintenance can be expected. "Very limited" indicates that the soil has one or more features that are unfavorable for the specified use. The limitations generally cannot be overcome without major soil reclamation, special design, or expensive installation procedures. Poor performance and high maintenance can be expected.

Numerical ratings indicate the severity of individual limitations. The ratings are shown as decimal fractions ranging from 0.01 to 1.00. They indicate gradations between the point at which a soil feature has the greatest negative impact on the use (1.00) and the point at which the soil feature is not a limitation (0.00).

Dwellings Without Basements									
	Wellings Without Ba	aseme	nts— Sumi	mary by Map Unit	— Mason Co	unty,	Washington (WA	645)	
Map unit symbol Rating Component name (percent) Rating reasons (numeric values)									
Bd	Bellingham silt loam, 0 to 3 percent slopes	Very l	imited	Bellingham (100%)	Depth to saturated (1.00)	zone	2.7	17.6%	
					Shrink-swell (1.00)				
Gm	Grove gravelly sandy loam, 15 to 30 percent slopes	Very li	imited	Grove (100%)	Slope (1.00))	5.7	37.4%	
Sf	Shelton gravelly sandy loam, 5 to 15 percent slopes	Some		Shelton (100%)	Slope (0.16)		3.6	23.7%	
Sg	Shelton gravelly sandy loam, 15 to 30 percent slopes	Very li	imited	Shelton (100%)	Slope (1.00)		0.1	0.5%	
Subtotals for S	Soil Survey Area						12.0	79.2%	
Totals for Area	of Interest						15.1	100.0%	
Dwellings Without Basements— Summary by Rating Value									
	Rating		Acres in AOI Percent of AOI					AOI	
Very limited					8.4	8.4 55.5%			
Somewhat limit	ed				3.6 23.7%			23.7%	
Totals for Area	of Interest				15.1			100.0%	

Information from: http://websoilsurvey.nrcs.usda.gov

Mineral Deposits

See Statement of Assumptions and Limiting Conditions, General Assumptions.

Water Rights

No water rights are known to exist on the subject tax parcel.

Improvements

None

Use History

The subject property has predominantly been used as timberland and recreation.

Sales History

No sales of the subject appear in Assessor records within the prior 10-year period.

Assessor's Parcel Information

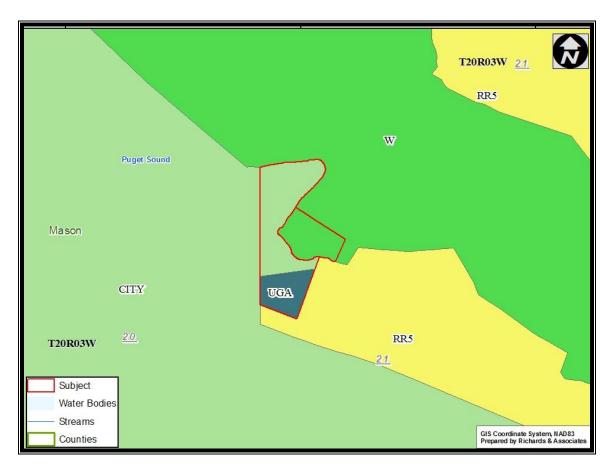
<u>Parcel Number</u>	GIS Acres	<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Deeded Owner</u>	Abbreviated Legal
320213260570	3.78	20N	03W	21	PORT OF SHELTON	T.L. LOTS 257-261 INCL
320215100001	11.38	20N	03W	21	PORT OF SHELTON	ALDER CREEK TRACTS

Assessed Value and Annual Tax Load

Parcel Number	GIS Acres	<u>Land</u>	<u>Improvements</u>	<u>Total</u>	<u>Total</u>
		Market Value	Market Value	Market Value	Taxable Value
320213260570	3.78	\$75	\$0	\$75	\$0
320215100001	11.38	\$694,860	\$0	\$694,860	\$0

Zoning

Parcel 320213260570 is the tideland parcel and is not zoned. The upland parcel (320215100001) is zoned General Commercial. The neighboring tracts are R-5, which is the most logical zoning for the subject, had it not been owned by the Port of Shelton.



Topography



The property has sea level topography on the east side, rising to around 80' AGL in the west

Part III. Larger Parcel and Highest and Best Use Analysis:

Essential to the appraiser's determination of the subject's Highest and Best Use is the determination of the "Larger Parcel." The Dictionary of Real Estate Appraisal defines the "Larger Parcel" as:

"... the tract or tracts of lands which are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use."

A main requirement under the Yellow Book standards is that the "Larger Parcel⁴" as it relates to the acquisition area, must be addressed. Since the Larger Parcel determination is essential in offering an opinion as to the subject's Highest and Best Use⁵, the appraiser will present both in the following pages.

By taking a step back and examining the Larger Parcel concept, it is much more of a study in Highest and Best Use then it is a site size calculation. For this reason the Larger Parcel and Highest and Best Use determination are inherently tied together. With this perspective in mind, the following pages will first discuss the determination of the "Larger Parcel" and then discuss the determination of Highest of Best Use.

It should be noted that the "Larger Parcel" should not be mistaken as the "largest" parcel under the same unity of ownership and use, the concept is more intricate than that. The three steps used in making this determination are discussed on the following pages:

<u>Unity of Ownership</u> — Historically, to satisfy the requirement of *unity of ownership*, title to all parts of the whole had to be vested to the same extent, to the same persons. It has been ruled that unity of ownership was lacking when the ownership has different interests in the two or more tracts. For example, when one tract is owned in fee simple, a leasehold interest is held in a second tract, and the owner holds all of the stock in a corporation that holds title to a third tract. However in another case, the court found that three tracts constituted a single larger parcel even though each tract was owned by a different corporation, because all three corporations were held by the same individuals⁶.

In the case of the subject tract, the subject tax parcels fall under a singular, Port of Shelton ownership.

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⁵ The use of the larger parcel is not a jurisdictional exception as it simply values each block to their Highest and Best Use, which is not inconsistent with USPAP

⁶ United States v. 429.59 Acres of Land, 612 F.2d 459, 464 (9th cir. 1980).

The total common ownership in this area of Mason County is not larger than the two tax lots that are the subject of this appraisal. To be clear, this is the only two tracts in the area owned by the common ownership.

<u>Contiguity of Ownership</u> – those lands that are physically contiguous or proximate

The courts have ruled that parcels do not necessarily need to be physically contiguous to be considered as part of a larger parcel. ⁷ While physical contiguity must be considered in appraisals, in an appraisal of agricultural (the subject is timberland) property it could be argued that a timber mill located miles away from a given tract of land could be considered part of the larger parcel, particularly if a long-term log supply agreement is in place. In the case of the subject tax lot, it is not integrated to other non-contiguous lands owned by the trust and are not needed as part of a mill operation or for winter harvest lands in relation to an offsite operation. After much research, and as confirmed by the property owner, no other non-contiguous tax parcels under the aforementioned ownership were found to be integrated to the subject parcel.

<u>Contiguity of Use</u> – Unity of Highest and Best Use

While it has been found that, to meet the unity of use test, all parts of the whole must actually be devoted to a unitary use, the weight of the law is that to meet this test the lands in question merely must have the same, or an integrated, Highest and Best Use. ⁸ Yellow Book illustrates that if the uses are dissimilar, no allowance can be made for severance damages or special benefits. As this appraisal is not of a partial acquisition, a "Before" and "After" appraisal, this concept is not relative to the subject.

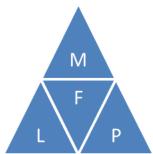
After much consideration it was determined by the appraiser that one larger parcel exists and consist of the two acquisition tax lots, as described throughout this appraisal.

⁷ United States v. Honolulu Plantation Co., 182 F2d 172 179 (9th Cir. 1950) cert. denied, 340 U.S. 820

⁸ Washington Metropolitan Area v. One Parcel of Land, 691 F. 2d 702, 704-705 (4th Cir. 1982); United States v. 158.24 Acres of Land, 515 F. 2d 230, 232 (5th Cir. 1975); United States v. Wateree Power Co., 220 F. 2d 226, 231-232 (4th Cir. 1955); Baetjer v. United States, 143 F. 2d 391 (1st Cir. 1944), cert. denied 323 U. S. 772.

Highest and Best Use Analysis

Highest and Best Use Analysis



Though the definition of Highest and Best Use varies, the Appraiser feels the following definition from Miller and Geltner encompasses the essence of the theory:

"The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

In considering the Highest and Best Use (H&B Use) of a property, any potential use must pass a series of tests.

- 1. Legally Permissible Criteria
- 2. Physically Possible Criteria
- 3. Financially Feasible Criteria
- 4. Maximally Productive Criteria

Legally Permissible Criteria/Physically Possible Criteria



Any constraints on land use arising from legal, legislative or public policy directives that affect any potential use of the property. Zoning, easements, covenants, restrictive deeds, special use areas, and government protective areas are all, but not the only considerations that need to be taken when determining the H&B Use. For example, the H&B Use of residential development would not be permissible if zoning prohibits such developments in that area.



Size, shape, topography, and other characteristics of the site affect any potential use of the property. For example, a site with an H&B Use of commercial timber production must have the physical ability to produce timber.

Financially Feasible Criteria/Maximally Productive Criteria



A proposed H&B Use requires a showing of reasonable probability that there is a need or demand for such use in the reasonably near future; physical adaptability alone is insufficient. H&B Use is driven by economic considerations and market forces, not by public interests. For example, creating a residential complex in a rural geographical area

⁹ "Real Estate Principles for the New Economy". Norman G. Miller and David M. Geltner

would not be financially feasible if there is no demand for such developments in that location.



Under the Maximally Productive Criteria, profitability of alternate uses was examined. The H&B Use must generate the highest value for the land over other alternative uses. It should be noted that the H&B Use of a property will not always be the Current Use of the Property.

In terms of agriculture production, major portions of the subject tax parcel are categorized as productive in terms of the sites ability to grow conifers for commercial harvest. Timber production is a potential highest and best, use as evidenced by the existing merchantable stands.

In addition to agricultural (timber) uses noted above, commercial uses and residential uses are potential uses (immediate or future). The appraiser investigated these legally permissible and physically possible uses from a timing perspective, relative to the "maximally productive" criteria. Had the subdivision development analysis suggested that any type of development was more near term, the discounted cash flow model would have been fully developed and presented as an approach to value.

Highest and Best Use Conclusion:

In summary, the zoning for the subject Larger Parcel allows for commercial, residential recreational and timber uses. The soil types physically allow for all of these legally permissible uses. Therefore, residential, commercial and recreation move to the next test of Highest and Best Use; Financially Feasible and Maximally Productive.

The appraiser compared prices paid for large acreage tracts with potential residential, commercial and true forestry sites. Residential sites clearly commanded a greater price per acre. The question then is the timing for residential uses. Development, in the terms of the average sales prices for 5+ acre lots has not returned to the 2006/2007 levels as of the effective date of this report¹⁰.

Highest and Best Use

As stated on the preceding page, residential large acreage sites sell for a greater price per acre than true timberland sites, which tend to transact slightly over their land expectation values (LEV). However, the sales prices for 5+ acre sites have not returned to pre 2008 levels. While there is no certainty that prices will return to that level anytime soon, demand is also down from the prior up-cycle as well. This is not to say that a developer would need to see 2006-2007 sales prices for their lots to be profitable, just that the timing does not appear to have peaked for acreage home sites and that pricing and marketing times appear to be falling. A prudent investor would acquire the subject and hold for future development, until such time as it is economically feasible to develop the subject site.

¹⁰ The appraiser searched all sales, 4-6 acres in size and did not adjust for zoning, location or other factors.

Conclusion:

The Appraisal of Real Estate (12th Edition) states, "The conclusion of the highest and best use analysis of a site as though vacant should be as specific as the market suggests".

The appraiser has found that the market comparable sales are selling with multiple (undefined number) of potential homesites. The Highest and Best Use of the site is to hold for future residential development. This Highest and Best Use assertion is similar to what is found in the market, as evidenced by the Comparable Sales employed.

Part IV. Data Analysis and Conclusions:

Value Estimate by the Sales Comparison Approach

The Sales Comparison Approach was utilized to estimate the market value of the subject property. In this approach, market value is estimated by comparing the subject property to similar properties that have sold near the date of value, applying appropriate units of comparison, and making adjustments, based on the elements of comparison to the sale prices of the comparables. This method generally reflects market behavior and provides a reliable estimate of value. The Sales Comparison method is based on market forces of Scarcity and Demand as well as the Principle of Substitution and Balance. The forces of Scarcity and Demand tend toward equilibrium in the market. The Principle of Substitution holds that a buyer will not pay more for one parcel of land than for an equivalent parcel. Substitution indicates that the greatest demand will be generated for the lowest-priced land with similar utility. The Principle of Balance states that when the elements of an economic mix or environment are in a state of equilibrium, land value is sustained.

A comprehensive search for comparable transactions was conducted within the geographic area surrounding the acquisition area. Initial search parameters included properties within the subjects' Township and Range but were expanded to adjacent Townships and Ranges with efforts to find sales that had low site utility and similar water feature.

Units of Comparison:

Units of comparison are the components into which a property may be divided for purposes of comparison. Theoretically, the analysis of comparable properties involves the comparison of whole properties in respect to total price paid. This kind of comparison requires a high degree of similarity across all attributes. The most prevalent indicator of value for properties of this size and (and unknown site utility) is price per acre applied to the underlying land. Price per prospective lot is inappropriate because of economic factors cited earlier in this report. Specifically, it is difficult if not impossible to determine how many buildable sites the subject and comparable properties have given terrain, soil types, setbacks and other factors, without the assistance of an engineer and other experts. A price per net (timber) operable acre is thought to be inappropriate subject has residential value attributable to the entire site.

Valuation:

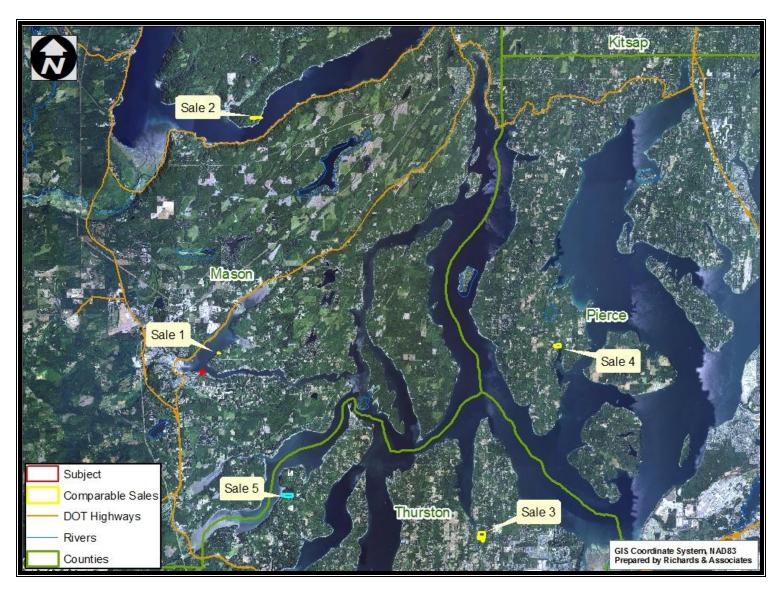
The appraiser has relied on direct sales comparisons to offer an opinion of value for the subject property. According to USPAP, the appraiser should consider "arm's length transactions in lands in the vicinity of and comparable to the lands under appraisement".

Basic comparison elements that were considered are:

- Property Rights Conveyed
- Condition of sale
- Market conditions
- Location



Comparable Sales Map



Comparison Sales Grid

9	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
County	Mason	Mason	Mason	Thurston	Pierce	Thurston
Parcel Number(s)	32021-51-00001 32021-32-60570	320165000007 320165000002 320165000003 320165000005	32226-42-00216 32226-31-00000	11928230200 11929440200 11928320500 11928320000	0020132029	13913430100 13913430101
Address		111 Angle Tracts Shelton	11871 NE N. Shore Rd. Belfair	4849 Johnson Point Road NE Olympia	3800 Reeves Road Longbranch	5430 66th Ave Olympia
Seller	>>>>>>	Yamasaki	Crotty	Stillman	Easter	Moen
Buyer	************************************	Heise	Krebs	Capitol Land Trust	Great Penn Conservancy	McGrath
Date Of Sale	***************************************	9/28/15	12/15	4/11/16	12/15	09/15
Total Site Size Acres	15.16 Acres	6.00	15.07	51.77	21.02	32.98
Sale Price	XXXXXXXXXXX	\$51,000	\$100,000	\$536,000	\$300,000	\$495,000
PP Acre	\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$	\$8,500/acre	\$6,636/acre	\$10,353/acre	\$14,272/acre	\$15,009/acre
Features	Close in, near sewage treatment facility	5 lots with 516 feet on Oakland Bay	102 FF on Hood Canal County shows as 11.77 acres but 1998 survey shows 15.065	900 FF on superior Henderson Inlet PP acre does not includes demolition costs	Reportedly 500 front feet on Filucy Bay expired 11 lot prelim plat	Two separate parcel numbers sold for 200k and 295k
Property Rights	***************************************	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Conditions of Sale		Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
Access	County	County	Similar	Similar	Similar	Similar
Zoning	CG		RRR 1/5	RRR 1/5	Rural 10	RRR 1/5
Qualitative	Index Comparison	Greater than \$8,500/acre	Greater than \$6,636/acre	Similar to \$10,353/acre	Less than \$14,272/acre	Less than \$15,009/acre
	Appraiser's Opinion of Value for the subject tract is \$10,000 per gross acre					

Sale 1

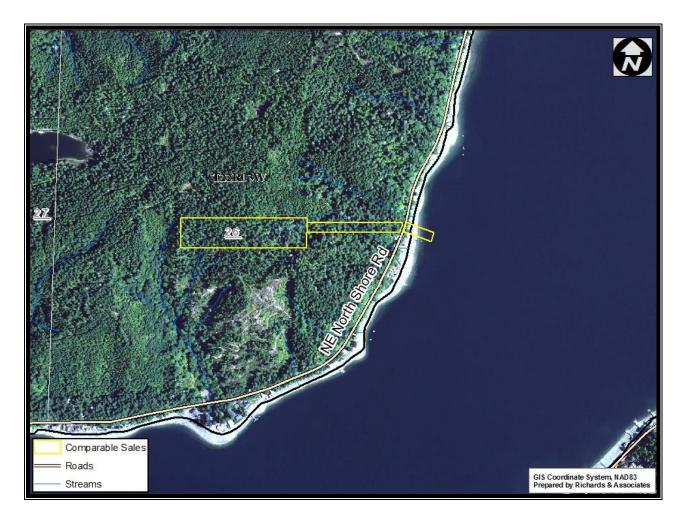




Sale No. 1-

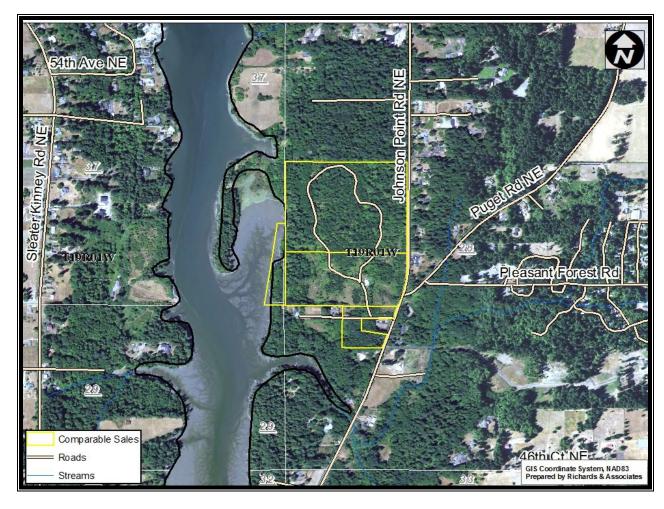
This sale includes 4 parcel numbers and was 6 acres with 5 lots and 516 feet of waterfront on Oakland Bay. The undeveloped property was sold to another agent. The waterfront also had a current shellfish lease at the time of sale. The subject is closer in, with superior zoning and suggests a value greater than \$8,500 per acre.

Sale 2





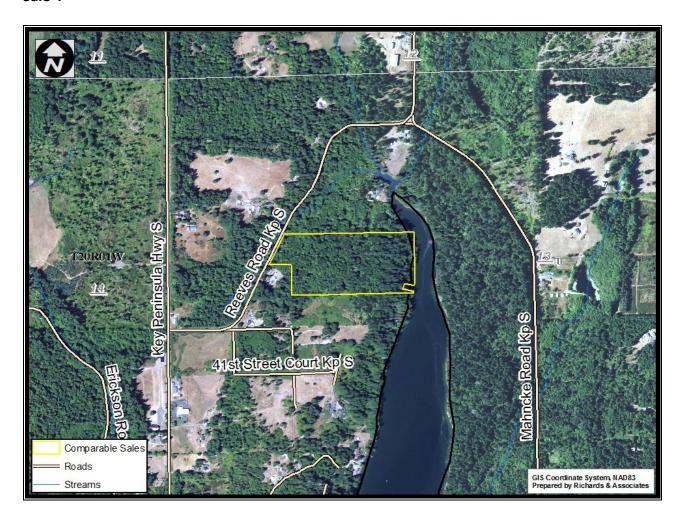
Sale No. 2 is reported to be roughly 100 front feet along the Hood Canal waterfront with two county tax parcels. Like the subject, these tax parcels are bifurcated by a county road, with the potential building sites sitting away from the beach. There is a new set of stairs that make an easy access to the clam and oyster beds on a beach with adequate substrate for aquaculture. The listing agent reports that a recent survey shows the property to be 15.065 (rounded to 15.07) acres. It is located less than 12 miles from Belfair and is very similar to the subject. The site has a better beach in terms of shellfish harvesting but has vastly less overall frontage. While smaller sites tend to sell for a greater price per acre, there are some offsetting benefits in a larger site have more development possibilities. Overall, this sale has vastly less development potential and suggests a value above \$6,636 per gross acre for the subject site.





Sale 3 is the sale of a waterfront tree farm, four miles from Olympia in four separate parcels. The property has RRR1/5 zoning and 900+/- ft of tidal waterfront. The main property was reportedly logged about 15 years ago & replanted with mixed results. The selling agent reports only 4-5 acres of 30+ year old timber. The property slopes gently to west with scattered trees and unmanaged pasture. There is an old barn that needs to be demolished which would add to the effective sales price (the cost to demolish would be factored into a buyer's purchase price decision). Since this property is a listing only, the actual sales price will most likely be less, but offset by the additional demolishing costs. This sale is superior in its Olympia location but has a deed restriction limiting homesites and suggests a price near \$10,353 per gross acre.

Sale 4





Sale 4 was the sale of 21 Acres with 500+ feet of waterfront located on Filucy Bay. According to the seller (who was also the agent) the property has an expired 11-lot preliminary plat. The sale had topo, drainage and soils reports. The preliminary plat also had radiuses approved for 11 private wells. A road and electricity down to the waterfront with a boat launch was in. The property was heavily forested with commercial grade harvest possibilities. This sale is superior in its Pierce County location and entitlements (albeit expired) and suggests a value less than \$14,272 per gross acre.

Sale 5







Sale 5 is located in Thurston County on superior Totten Inlet. The property reportedly has 530± ft, medium/low bank waterfront on over 32 acres. A well and 3-bedroom septic is installed. The property has drivable access to the beach with large dock and dock house. Several possible additional building sites exist. Two separate parcels closed for a reported \$495,000. When the cost to demolish the dilapidated improvements is considered, the effective price paid was much higher than \$495,000. Without adjustments, this sale suggests a value less than \$15,000 per acre for the subject.

Conclusion and Final Reconciliation

While all three approaches to value were considered, only the direct sales comparison approach was considered appropriate for this type of property, given the lack of improvements and relative lack of income potential.

Appropriate Unit of Comparison

When properties, such as the subject, have unknown development potential, appraisers often weigh the best unit of comparison to employ in their analysis. In this appraisal, the appraiser has used a <u>price per gross acre</u> unit of comparison. The comparables have a relatively tight range when using this unit of value, which appears to suggests that buyers also employed this method when making a purchase decision.

Quantity and Quality of the Sales Data

The appraiser searched Northwest Multiple Listing Service (NWMLS), appraiser files and county records to uncover sales that were similar to the subject property. In addition, local realtors and brokers were also asked about sales transactions. The appraiser is confident that the sales

utilized in this report are the best data available. The quantity and quality of the comparable sales data is sufficient to credibly offer an opinion of market value for the subject property.

Bracketing/Adjustments

All of the subject's attributes were bracketed¹¹ by the collective comparable sales, including the county road bifurcation the parcel and the waterfront amenity:

Market Cond.:

All five of the sales occurred within the previous 12 months. According to a local agent and market evidence, current conditions for vacant large acreage tracts are similar to what they have been during the previous 24 months.

Site Size:

The subject is a 15.16-acre site. The sales range in size from 6.00 acres to 51.77 acres. Clearly the subject's site size is bracketed. The comparables also suggest that an adjustment is not warranted for site size when all of the sites have similar utility and market participants.

<u>Timber:</u>

The appraiser understands that each one of the sales has differing quality of timber. Further, the appraiser recognizes that the buyers contributed varying allocations to each of the differing stands. Having said that, it is difficult to tease apart the allocations and weigh it against the subject. In fact often times the buyer and/or seller will not disclose this information, making a credible allocation difficult and subjective at best. This difficulty in allocating the timber component of value paid for each sale becomes less important when appraising property that has recently been cut over or that only has a residential amenity component remaining (when similar comparables are utilized). Given that the five sales collectively bracket the amenity timber value on the subject property, the sales are sufficient to provide a reliable indicator of value, using an overall qualitative adjustment (similar, superior, inferior).

Zoning:

When considered collectively, all five sales and singular listing bracket the subject's zoning.

Features:

The subject may have certain amount of wetlands and other critical areas. While this wetland area contributes to some risk and uncertainty, it also appears to add to the marketability of the site. The majority of the comparables have some amount of wetlands, pond or related setbacks from waterfront. While it is difficult to measure the loss of useable site size for each of the comparables, this is somewhat offset (albeit anecdotally) by the ability to market waterfront. While a wetland

¹¹ A process in which an appraiser determines a probable range of values for a property by applying qualitative techniques of comparative analysis to a group of comparable sales – The Dictionary of Real Estate Appraisal

delineation study and resulting GIS useable acreage report for each of the comparables would be desirable, it is impractical to obtain. Further, market participants in doing their own due diligence, would most likely not have access to this information, therefore a market value appraisal is not remiss in the lack of the same. Suffice to say that all five comparables bracket the subject's wetland acreage in terms of total useable site size and marketability.

Access:

When appraising large-acreage tracts, it is of paramount importance to compare the quality of access. Often times, on large acreage tracts, the access is for timberland management only. Other times that access is not wide enough for residential development. In other cases, the access onto the county or State road does not permit residential access. All five of the comparables and one listing collectively bracket the subject's access.

Conclusion/Reconciliation:

The final step in the appraisal process is the reconciliation of value indications. This is the consideration of the indicated value resulting from each of the three approaches. The appraiser considers the relative applicability of each of the three approaches to arrive at the final estimate of defined value. When only one approach is employed the reconciliation can be viewed more as a conclusion relative to that one approach.

The sales employed in this report collectively bracket every aspect of the subject property.

The appraiser made an exhaustive search for more similar sales. While more similar sales could not be located, collectively all five sales bracket the subject's major attributes. The appraiser has made an attempt to locate more similar and more proximate sales. None could be located.

The sales employed in this report are thought to be the best available. While no single comparable was a perfect match for the subject, together their adequacy supports a credible opinion of value.

Quantitative adjustments are preferred over qualitative adjustments. That said, a great deal of sales data would be needed (matched pairs) in order to develop supported adjustments. For this reason, the appraiser has employed qualitative adjustments. All sales combined are seen to bracket the characteristics of the subject property. That being said, equal weight is placed on all three sales which bracket the subject in the every meaningful ways.

Based on the research and analysis documented throughout this report, it is my opinion the value as of the effective date of this report is \$10,000 per acre x 15.16 acres = \$152,000 (rounded).

Part V. Addendum

Market Data

Sale 1

(1) ADDRESS or LOCATION: 111 Angle Road, Shelton, WA

(2) a. Access: county road b. Use at Sale: Vacant

c. H & B Use: Similar to Subject

d. Zoning: RC

e. Dimensions: See map f. Area: 15.16 acres g. Sale Date: 9/28/15 h. Price: \$51,000

i. Instrument Type: Statutory Warranty Deed

j. Terms: Cash to Seller k.Ex.Tax# or AF #:2046922

I. Seller: Yamasaki m. Buyer: Heise

n. Confirmed with: county records, agent

o. Confirmed by: Greg Richards

- (3) LEGAL DESCRIPTION or TAX PARCEL NUMBER (4): see matrix
- (4) PHYSICAL CHARACTERISTICS (description at sale, confirmation information, changes since sale, etc.):

Last Market Sale	& Sales History			
Recording Date:	ecording Date: 10/01/201		Deed Type:	Warranty Deed
Settle Date:		28/2015 MLS:	Owner Name (LN FN):	Heise Klaus
	10/01/20	015		
Sale Price:	\$51,000		Owner Name 2 (LN FN)	: Heise Sherri
Auditor No:	2046922		Seller Name (LN FN):	Yamasaki M & S Trust
Recording Date	10/01/2015	10/01/2015	06/16/2010	
Sale/Settlement Date	09/28/2015	05/18/2010	05/18/2010	
Sale Price	\$51,000			
Nominal		Υ	Υ	
Buyer Name	Heise Klaus & Sherri	Yamasaki M & S Living	Yamasaki M & S Living	
bayer Hame	Tielse Riads & Sileiti	Trust	Trust	
Buyer Name 2	Heise Sherri			
Seller Name	Yamasaki M & S Trust	Yamasaki M & S Trust	Yamasaki M & S Trust	
Auditor No	2046922	2046921	1958737	
Hist. Document No.	24837	24836	8470	
Document Type	Warranty Deed	Rerecorded Deed	Warranty Deed	

(5) ANALYSIS:		
ITEM	CONTRIBUTION VALUE	MARKET UNIT
Land: 6.00 Acres	\$51,000	\$8,500/acre
TOTAL SALE PRICE	\$51,000	\$8,500/acre

(1) ADDRESS or LOCATION: 11891 NE Northshore Road

(2) a. Access: County roadb. Use at Sale: vacant landc. H & B Use: Similar to subject

d. Zoning: RR 1/5 e. Dimensions: See map f. Area: 15.07 acres g. Sale Date: 12/30/15 h. Price: \$100,000

i. Instrument Type: Warranty Deed

j. Terms: Cash to seller

k.Ex.Tax# or AF #:2050590 / 25655

I. Seller: Crotty m. Buyer: Krebs

n. Confirmed with: County, Agent Norm Clark 360-277-5109, Inspection

o. Confirmed by: Gregory Richards

(3) TAX PARCEL NUMBER (2): 322264200216 and 322263100000

(4) PHYSICAL CHARACTERISTICS (description at sale, confirmation information, changes since sale, etc.): agent says sales price listed below is in error / county assessor data confirms sales price is indeed \$100,000

Last Market Sale & Sales History				
Recording Date:	12/30/20)15	Deed Type:	Warranty Deed
Settle Date:	Tax: 12/1	.8/2015 MLS:	Owner Name (LN FN):	Krebs Connie
	12/30/20			
Sale Price:	\$113,072		Seller Name (LN FN):	Crotty Joseph I
Auditor No:	2050590			
Recording Date	12/30/2015	11/29/2007	06/20/2003	
Sale/Settlement Date	12/18/2015	11/20/2007	06/18/2003	
Sale Price	\$113,072	\$15,000		
Nominal			Υ	
Buyer Name	Krebs Connie	Crotty Joseph I	Crotty Joseph I	
Buyer Name 2		Crotty James R	Crotty James R	
Seller Name	Crotty Joseph I	Crotty Michael F & Coni	Nickerson Susan A	
Auditor No	2050590	1910350	1784669	
Hist. Document No.	25655	986	67125	
Document Type	Warranty Deed	Quit Claim Deed	Special Warranty Deed	

(5) ANALYSIS:

 ITEM
 CONTRIBUTION VALUE
 MARKET UNIT

 Land: 15.07 Acres
 \$100,000
 \$6,636/acre

 TOTAL SALE PRICE
 \$100,000
 \$6,636/acre

(1) ADDRESS or LOCATION: 4849 Johnson Point Road NE Olympia WA 98516

(2) SALE SKETCH IS IN BODY OF REPORT;

(3) a. Access: Public

b. Use at Sale: Vacant

c. H & B Use: Similar to subject

d. Zoning: RRR 1/5 e. Dimensions: See map f. Area: 51.77 acres g. Sale Date: 4/11/16 h. Price: \$536,000

i. Instrument Type: SWD j. Terms: Cash to seller k.Ex.Tax # or AF #: (730697) l. Seller: Stillman Tree Farms m. Buyer: Capitol land Trust

n. Confirmed with: County, buyer, Inspection,

o. Confirmed by: Gregory Richards

	Sales Information
Sale number 1 Sale Date Price Excise Sale Type Recording Number Seller Buyer Multiple parcel sale? Sale Verify	04/11/2016 \$536,000 730697 STATUTRY WARNTY DEED 4497200 STILLMAN TREE FARM, C G CAPITOL LAND TRUST Y

(4) TAX PARCEL NUMBER (3):

(5) PHYSICAL CHARACTERISTICS (description at sale, confirmation information, changes since sale, etc.): 11928230100, 11929440200, 11928320500, 11928320000 MLS shows the subject as 51.77 acres, assessor shows the site as 50.47

(6) ANALYSIS:

ITEM	CONTRIBUTION VALUE	MARKET UNIT
Land: 50.47 Acres	\$536,000	\$10,353 /acre
TOTAL SALE PRICE	\$536,000	\$10,353 /acre

(1) ADDRESS or LOCATION: 3800 Reeves Road, Longbranch Pierce County, WA

(2) a. Access: Easement and public

b. Use at Sale: vacant land

c. H & B Use: Similar to subject

d. Zoning: RR10

e. Dimensions: See map f. Area: 21.02 acres g. Sale Date: 12/16/15 h. Price: \$300,000

i. Instrument Type: SWD j. Terms: Cash to seller

k.Ex.Tax# or AF #: 201512180192

I. Seller: Easter

m. Buyer: Great Peninsula Conservancyn. Confirmed with: appraisal, agento. Confirmed by: Gregory Richards

(3) TAX PARCEL NUMBER (1): 0020132029

Recording Date:	12/18/2	2015	Deed Type:	Warranty	Deed
Settle Date:	Tax: 12/	/16/2015 MLS:	Owner Name (LN FN):	Great Per	ninsula Conservancy
	12/18/2	2015			
Sale Price:	\$300,00		Seller Name (LN FN):	Easter Ro	bert M & Angela C
Auditor No:	201512	180192			
Recording Date	12/18/2015	01/07/2013	02/17/1993	10/12/1989]
Sale/Settlement Date	12/16/2015	12/31/2012	01/22/1993	09/15/1989	
Sale Price	\$300,000			\$70,000	
Nominal		Υ			
Buyer Name	Great Peninsula Conservancy	Faster Robert M & Angela C	Filucy Bay Devel Inc Co	Butko Richard	
Buyer Name 2		Faster Angela C			
Seller Name	Easter Robert M & Angela C	E & E Financial Inc	Butko Anne I	Boire James	
Auditor No	201512180192	201301070727	199302170803	198910120292	
Hist. Document No.	4386130	4301142	829895	738799	
Document Type	Warranty Deed	Quit Claim Deed	Quit Claim Deed	Warranty Deed	

- (4) PHYSICAL CHARACTERISTICS (description at sale, confirmation information, changes since sale, etc.):
- (5) ANALYSIS:

ITEM	CONTRIBUTION VALUE	MARKET UNIT
Land: 21.02 Acres	\$300,000	\$14,272/acre
TOTAL SALE PRICE	\$300,000	\$14,272/acre

(1) ADDRESS or LOCATION: 5430 66th Avenue Olympia WA 98502

(2) SALE SKETCH IS IN BODY OF REPORT;

(3) a. Access: Easement

b. Use at Sale: Vacant (with several dilapidated buildings)

c. H & B Use: Similar to subject

d. Zoning: RRR 1/5 e. Dimensions: See map f. Area: 32.98 acres g. Sale Date: Listing h. Price: \$495,000 i. Terms: cash to seller

j.Ex.Tax# or AF #:738545 and 47 / 4465662 and 4465659

k. Seller: Moen I. Buyer: Mcgrath

m. Confirmed with: Listing Agent Jim Greene 360-701-3276, County, Inspection

o. Confirmed by: Gregory Richards

(4) LEGAL DESCRIPTION or TAX PARCEL NUMBER:(2) 13913430100 (5.4 acres) AND 13913430101 (27.58 acres)

Sale number 6	Sale Date Price Excise Sale Type Recording Number Seller Buyer	09/14/2015 \$295,000 728545 STATUTRY WARNTY DEED 4465659 MOEN JAMES MOEN JAMES MCGRATH ELIZABETH A & CHRISTOPHER R
	Multiple parcel sale? Sale Verify	N AA

Sale number 6		
Sale number 6	Sale Date Price Excise Sale Type Recording Number Seller Buyer	09/15/2015 \$200,000 728547 STATUTRY WARNTY DEED 4465662 MOEN JAMES MCGRATH ELIZABETH A & CHRISTOPHER R
	Multiple parcel sale? Sale Verify	N AA
	Sale verify	AA

(5) PHYSICAL CHARACTERISTICS (description at sale, confirmation information, changes since sale, etc.):

(6) ANALYSIS:

ITEM	CONTRIBUTION VALUE	MARKET UNIT
Land: 32.98 acres	\$495,000	\$15,009/acre
TOTAL SALE PRICE	\$495,000	\$15,009/acre

Gregory O. Richards

Olympia, WA (360) 584-8407 Phone gregory@richards-assoc.com

1997 – Current Olympia, WA

Principal Appraiser - Richards & Associates

- Served as wetland appraisal expert to U.S. Department of Justice
- Appraisal consultant to Washington State Attorney General's Office
- Appraise complex properties in seven states for <u>United States Department of the</u> Interior, individual Indian tribes and individual tribal land owners
- Served as an independent fee appraiser to the Washington State Department of Transportation, multiple municipalities and law firms
- Holds extensive experience in timberland, commercial, agricultural and aquatic appraisals, including property held in trust
- Provides condemnation and conservation easement appraisals, including wetland mitigation, reservation lands and Indian allotments
- Co-authored and instructed a nationally-recognized (Society of American Foresters) course on timberland appraisals
- Supervise outsourced appraisal components and internal appraisal trainees
- Assisted in the development and gave testimony to the Washington State Senate and House members on legislation pertaining to the appraisals of fire damaged timberlands (SB 5972 & HB 2103). This included stakeholder outreach and education on Yellow Book and USPAP Standards.

April 2006 – June 2009

Olympia, WA

Chief Appraiser

Washington State Department of Natural Resources

- Responsible for the appraisal, appraisal review and overall valuation of 5+ million acres of state and aquatic lands
- Responsible for ensuring that fair and professional real property appraisals and
 related valuation analyses are conducted for all department real estate transactions
 requiring establishment of land and/or resource value. Examples of the types of
 transactions include: land exchanges, direct transfers, auctions, trespass resolution,
 leases, and acquisitions
- Responsible for developing and implementing uniform valuation systems and procedures in support of department real estate transactions
- Provided professional advice and interpretations of relevant federal and state laws to project and department managers on land and resource transactions
- Supervise, train and develop the staff and activities of the department's appraisal unit
- Assisted in asset planning by providing appraisal and return on asset values consultation to Executive Management
- Developed and implemented statewide portfolio valuation model

- Responsible for the appraisal and appraisal reviews of all land exchanges, sales and purchases
- Coordinated with the Office of Financial Management in administration of contracts for land appraisals and appraisal reviews
- Wrote appraisal specifications, analyzed appraiser's qualifications, selected appraisers, held pre-appraisal conferences
- Reviewed appraisals for adherence to contract specifications, and Yellow Book as well as USPAP Standards
- Determined the final acceptance or rejection of appraisal reports and value conclusion
- Instructed contract and staff appraisers as to the proper premises and procedures pertinent to estimating the value of unique or complicated properties.

1995-1997 WA

United Security Bank, Appraisal Department

- First staff appraiser for the new appraisal department
- Organized and set up new appraisal department after banks initial public offering
- Perform bank appraisal work.

1991-1995

Spokane, Tri-Cities, Seattle and Tacoma, WA and Boise, ID

Northwest Charter Valuation

• Appraiser and Director of Marketing

LICENSES:

Washington State Certified General Appraiser 1101079 Exp 09/30/17

Oregon State Certified General Appraiser C001136 Exp. 09/30/17

Arizona Temporary Certified General Real Estate Appraiser (current)

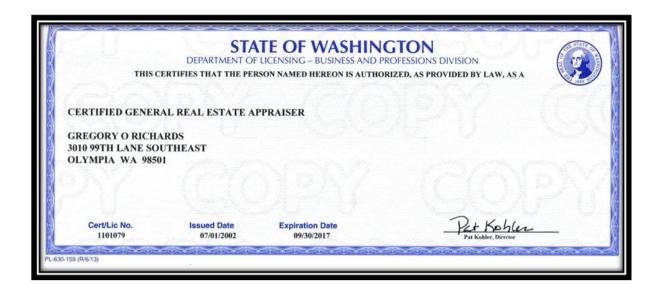
California Temporary Certified General Real Estate Appraiser (expired)

Idaho Temporary Certified General Real Estate Appraiser (expired)

Nevada Temporary Certified General Real Estate Appraiser (expired)

Utah Temporary Certified General Real Estate Appraiser (expired)

Wyoming Certified General Real Estate Appraiser (expired)



ALTA Commitment Form

COMMITMENT FOR TITLE INSURANCE Issued by

STEWART TITLE GUARANTY COMPANY

STEWART TITLE GUARANTY COMPANY, a Texas Corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This Commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Countersigned by:

Authorized Countersignature

Mason County Title Company 130 W Railroad PO Box 278 Shelton, WA 98584 (360) 426-9713 stewart title guaranty company



Matt Morris President and CEO

Laura

Denise Carraux Secretary



CONDITIONS

- 1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
- 2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
- 3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
- This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of 4. the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
- 5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at < http://www.alta.org/>.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.





Mason County Title Company 130 W Railroad PO Box 278 Shelton, WA 98584

MCTC Order Number: 123646 Title Officer: Kim Masteller

Phone Number: (360) 426-9713 Ext. 203

kim.m@masoncountytitle.com

COMMITMENT FOR TITLE INSURANCE SCHEDULE A

1. Effective Date: November 24, 2015 at 8:00 A.M.

2. Policy Or Policies To Be Issued:

(X) STANDARD () EXTENDED

(X) ALTA OWNER'S POLICY, (6/17/06)

Amount: To Be Determined

Premium:

Other:

Tax: \$0.00 Total: \$0.00

Proposed Insured:

Capitol Land Trust, a Washington nonprofit corporation

3. The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee Simple

4. Title to said estate or interest in said land is at the effective date hereof vested in:

Port of Shelton, a Washington municipal corporation

5. The land referred to in this commitment is located in the County of Mason, State of Washington, and described in Exhibit "A":

SCHEDULE B PART I

Standard Requirements

The following are the requirements to be complied with:

- **Item (a)** Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.
- **Item (b)** Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record.
- **Note:** Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to Standardization of Recorded Documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder:

Format:

Margins to be 3" on top of first page, 1" on sides and bottom, 1" on top, sides and bottom of each succeeding page.

Font size of 8 points or larger and paper size of no more than 8 ½" by 14".

No attachments on pages such as stapled or taped notary seals, pressure seals must be smudged.

Information which must appear on the first page:

Title or titles of document. If assignment or reconveyance reference to auditor's file number of subject deed of trust.

Names of grantor(s) and grantee(s) with reference to additional names on following page(s), if any.

Abbreviated legal description (lot, block, plat name or section, township, range and quarter quarter section for unplatted).

Assessor's tax parcel number(s)

Return address which may appear in the upper left hand 3" top margin

End of Standard Requirements

SCHEDULE B PART II

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.

Standard Exceptions:

- 1. Taxes or assessments which are not shown as existing liens by the public records.
- 2. (i) Unpatented mining claims; (ii) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (iii) water rights, claims or title to water; whether or not the matters described (i), (ii) & (iii) are shown in the public records; (iv) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- 3. Rights or claims of parties in possession not shown by the public records.
- 4. Easements, claims of easement or encumbrances which are not shown by the public records.
- 5. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey and inspection of the premises and which are not shown by the public records.
- 6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished imposed by law and not shown by the public records.
- 7. Any service, installation, connection, maintenance, tap, capacity, construction or reimbursement charges for sewer, water, electricity or other utilities, or for garbage collection and disposal.
- 8. Any titles or rights asserted by anyone, including but not limited to persons, corporations, governments, or other entities, to tidelands, or lands comprising the shores or bottoms of navigable rivers, lakes, bays, ocean or gulf, or lands beyond the line of the harbor or bulkhead lines as established or changed by the United States Government, or riparian rights, if any.

End of Standard Exceptions

SCHEDULE B PART II

Special Exceptions:

2015 Real Estate Taxes paid in full;
 Original amount: \$00.00

Parcel No.: 32021 51 00001

2015 Real Estate Taxes paid in full; Original amount: \$00.00

Parcel No.: 32021 32 60570

Said taxes as billed for the current year reflect an exemption for a municipal corporation. Any change in ownership of said premises which does not qualify for a continuance of the exemption will result in a prorated tax assessment of an amount unknown, as computed without reduction for said exemption. Contact the Mason County Assessor (360) 427-9670 ext. 475 at least five (5) business days prior to the closing of any sale for revised tax assessments.

2. Excise Tax in the amount of 1.78% of the sales price (plus an additional \$5.00 effective July 1, 2005), due and payable to the Mason County Treasurer at the time of sale. (Assessed Value(s): \$638,590.00)

3. As to Parcel 1:

WAIVER OF DAMAGES.

To: Northern Pacific Railway Company

Recorded: December 27, 1924

Auditor's File No.: 44235

Whereby the grantors waived all claims and demands for damages sustained by reason of the location, construction, maintenance and operation of a railway.

Refer to instrument for a more particular statement

4. As to Parcel 1:

MINERAL RESERVATIONS.

Reserved By: Puget Mill Company, a corporation.
Recorded: March 9, 1929 and September 30, 1932

Auditor's File Nos.: 58262 and 70078

Being a reservation of the full, complete and absolute rights to all oils, gases, coal, fossil, metals and minerals of every name and nature which may be in or upon said land or any part thereof, with right of entry to prospect, explore, take, mine and remove same, provided grantees shall be reasonably compensated for all damage done to the surface of said land and the improvement thereon.

5. As to Parcel 2:

RESERVATIONS - FIRST CLASS TIDELANDS.

Reserved By: State of Washington (by applicable Washington statute)

Volume 8 of O.L., page 64. Volume 51 of Deeds, page 37 Auditor's File Nos. 11340 and 54812

Reserving all oils, gas, coal, ores, minerals and fossils, together with the right to enter, develop and remove same, provided, that prior to said development the State shall pay the landowner all damages sustained by said entering; ALSO, the right to use said first-class tidelands for ingress and egress for lumbering and/or logging railroads or other easements necessary for moving timber, stone, minerals and other products from other lands, after reasonable compensation has been paid.

6. As to Parcel 2:

Subject to the effects of Boundary Line Agreement recorded August 9, 1962, Auditor's File No. 194598. Refer to instrument for a more particular statement.

- 7. EASEMENT. Subject to an easement for maintaining, repairing or renewing a pipeline, 15 feet in width, as granted to the City of Shelton, in instrument recorded September 21, 1977, Auditor's File No. 334286. Refer to instrument for a more particular statement.
- 8. As to Parcel 1B:

RESERVATIONS - SECOND-CLASS TIDELANDS.

Reserved By: State of Washington (by applicable Washington statute)

Judgment and Decree entered November 14, 1985 in the Superior Court of Washington for Mason County, Cause No. 85-2-00236-2

Reservation as follows: All oils, gas, coal, ores, minerals and fossils, together with the right to enter, develop and remove same, provided, that prior to said development the State shall pay the landowner all damages sustained by said entering; any the right to use said land for ingress and egress for lumbering and/or logging railroads or other easements necessary for moving timber, stone, minerals and other products from other lands, after reasonable compensation has been paid; all as provided by applicable Washington statute.

- Subject to the effects, if any, of AQUATIC LANDS OUTFALL EASEMENT recorded June 28, 2011, Auditor's File No. 1975718, between the Washington State Department of Natural Resources and the City of Shelton. Refer to instrument for a more particular statement.
- 10. We note a record of survey affecting the subject property.

Recorded: April 16, 2012. Volume 38 of Surveys, page 203.

Auditor's File No. 1987917.

Refer to instrument for a more particular statement.

End of Special Exceptions

Notes

The following matters will not be listed as special exceptions in Schedule B of the policy. There will be no coverage for loss arising by reason of the matters listed below because these matters are either excepted or excluded from coverage or are not matters covered under the insuring provisions of the policy.

1. Property Address: None Assigned, WA

2. NOTE: For your convenience, a possible abbreviated legal description (the actual abbreviated

description used will not affect the insurability of the forthcoming documents) for this may

be:

Lots 1 to 5, Alder Creek Tracts & PTN Gov Lot 8, 21-20-3 and Shelton T.L. Lots 257 to 261

Copies To:

Capitol Land Trust 209 4th Ave E Ste 205 Olympia WA 98501 Attention: Laurence Reeves

EXHIBIT "A" LEGAL DESCRIPTION

Order No.: 123646

Parcel 1:

A) Lots one (1) to five (5), both inclusive, Alder Creek Tracts, Volume 4 of Plats, page 22, records of Mason County, Washington, AND all that portion of Government Lot eight (8), Section twentyone (21), Township twenty (20) North, Range three (3) West, W.M., which lies Westerly of the Westerly line of the Plat of Alder Creek Tracts and Northerly of the Northerly line of Bay Avenue, as shown on said plat, extended Westerly.

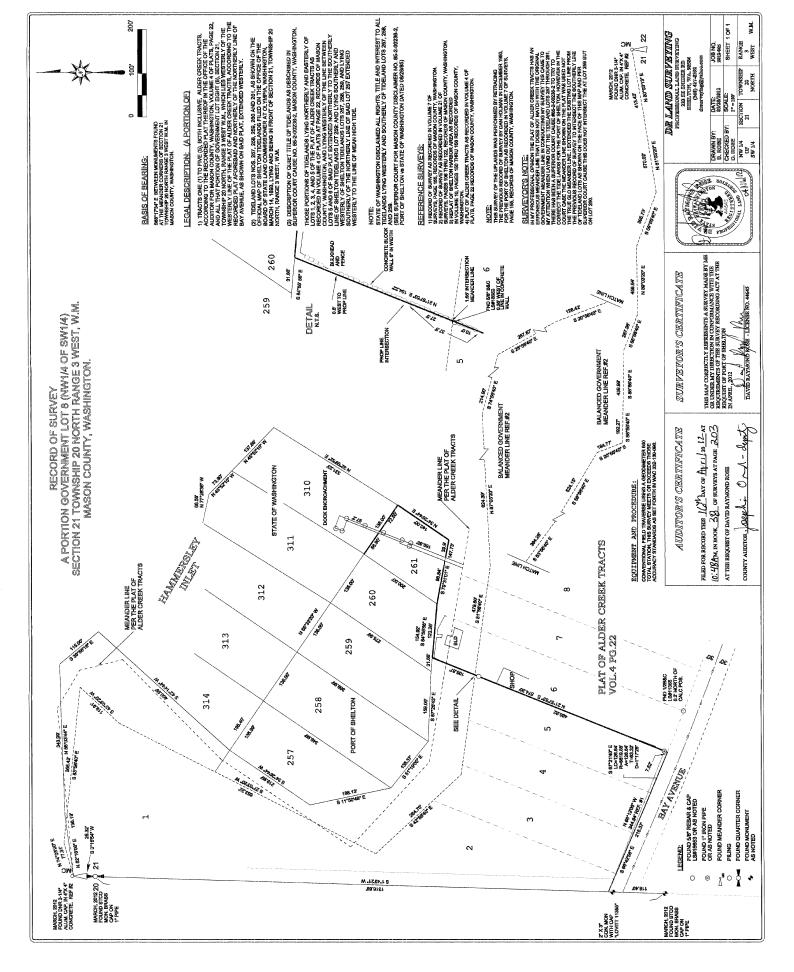
B) All those portions of the tidelands of the First Class, formerly owned by the State of Washington, lying Northerly and Easterly of Lots one (1) to five (5), both inclusive, Alder Creek Tracts, Volume 4 of Plats, page 22, records of Mason County, Washington, and lying Southerly and Westerly of Tideland Lots Nos. 257, 258, 259, and 260 of the Supplemental Map of Shelton Tidelands, as shown on the official map of said tidelands on file in the office of the Commissioner of Public Lands (now Department of Natural Resources) at Olympia, Washington, and lying Westerly of the line between Lots five (5) and six (6) of said plat extended Northerly to the Southerly line of said Tideland Lots, and lying Southerly of the Northerly line of said Tideland Lot 257 extended Westerly to the line of mean high tide.

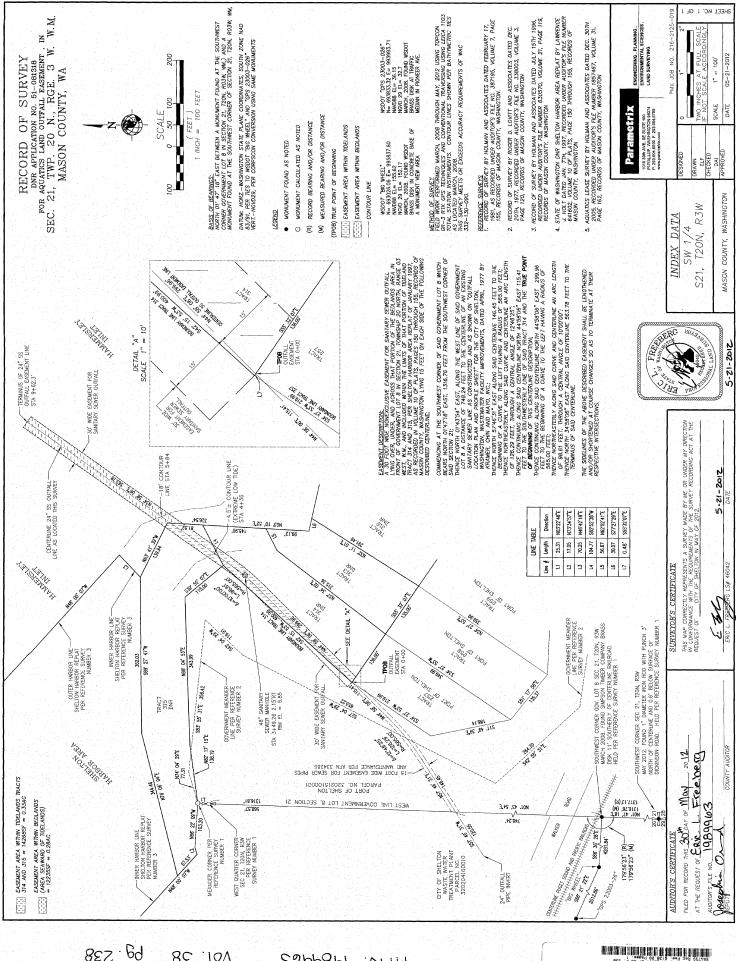
Parcel No. 32021 51 00001

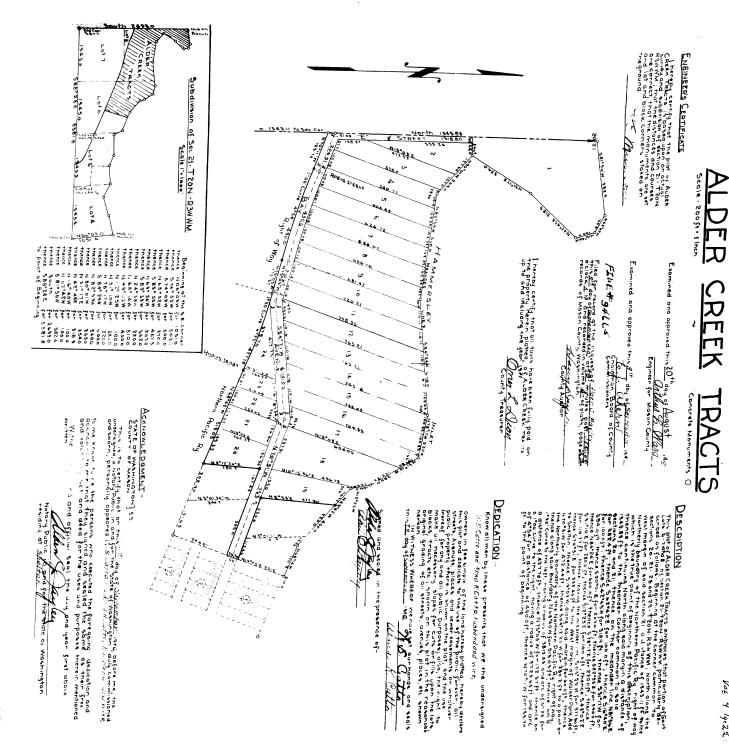
Parcel 2:

Tideland Lots Nos. 257, 258, 259, 260 and 261, of the Supplemental Map of Shelton Tidelands, as shown on the official map of said tidelands on file in the office of the Commissioner of Public Lands (now Department of Natural Resources) at Olympia, Washington.

Parcel No. 32021 32 60570







STG Privacy Notice Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	Do we share	Can you limit this sharing?
For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes— to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	No	We don't share
For our affiliates to market to you — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to optout@stewart.com or fax to 1-800-335-9591.
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

SHARING PRACTICES

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you request insurance-related services provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact us: If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

File No.: 123646 Page 1

STG Privacy Notice 2 (Rev 01/26/09) Independent Agencies and Unaffiliated Escrow Agents

WHAT DO/DOES THE Mason County Title Company DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of Mason County Title Company, and its affiliates (" N/A "), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as Mason County Title Company, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes— to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies.	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

Sharing practices		
How often do/does Mason County Title Company notify me about their practices?	We must notify you about our sharing practices when you request a transaction.	
How do/does Mason County Title Company protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.	
How do/does Mason County Title Company collect my personal information?	We collect your personal information, for example, when you • request insurance-related services • provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.	
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.	

Contact Us	If you have any questions about this privacy notice, please contact us at: Mason County Title Company,
	124 N 2nd Street, PO Box 278, Shelton, WA 98584

File No.: 123646 Page 1 of 1

In Consideration of Leventy at no-100- (70.00) Dellard, the receipt of which is hereby acknowledged, the State of Hackenglin does hereby grant, bargain, sell and conveyunts Il lineon, of shellon, Mason County, Mashington his hein and wrigin, the following described his land of the first class, seasons in first of the City of Shelton, in Mason County, Hushington, towit: all of Lote Aumbered Two hundred fifty seven (257) and two humaned fifty-eight (759), as shown on the official map of Shellon Tide Lands filed in the office of the Sound of State Land Commissioners at Olympia, Hashington, on the with day of March, 1893. Subject however to any lien or liens that may arise oute entalistin consequence of or pursuant to the provisions of an act of the Legislatine of the State of Hashington, entitled an at presenting the ways in which waterways for the week of navigation may be excavated by private contract, provider for hime upon tide and shore lands belonging to the state, quanting rights of way across lands belonging to the state, approved March 9, 1193. To have and to hold the said premises, with their appeartenances units the said f. J. Cruson, his heir wasigns forever! Mitness the sal of the state afficied this 6th day of Lebricary, 1901. J. P. Poque. Governor. The clear of itu State of Washington. 1889. Uttest: Sam IN Nichola Secretary of State By I a Nicholo chy bleck. State feed of Tide Land Deeds, Volume v, Jagar 36 8. Teled recorded at request of Granter, Febr. 15, 1901 at A octor O.M. State of Washington. In leonarderation of Twenty three and 5%,00 (\$23.50) Wollars, the receipt of which is hereby acknowledged, the deter of Washington does hereby grant, bargain sell and convey unto Henry Mc Dernid of Chelton, Washington, his heirs and arrigher the following described tide land of the second class, scritable for the cultivation of original and being selecate in Mason bounty Washington, to wit Beginning at the quarter section corner (which is a meander corner) on line in the Cathoria & and 44, now are follows: There M. 12. E. 0.92 chains, Misso to E It chaire no of 10 th ext chairs no 10° W to chairs in 60° E loss

(corp Seal)

Puget Mill Company
By W. H. Talbot, Lts President
C. E. Helms, Secretary

Attest:

Ack. Dec. 16, 1924 by W. H. Talbot and C. E. Helms, Pres and Sec of the corp that executed that within and foregoing inst and ack the said inst to be the free and vol act and deed of said corp, for the uses and purposes therein mentioned and on oath stated that they were authorized to execute said inst and that the seal affixed is the corp seal of said corp., before James, Mason, N. P. in and for the City and County of San Francisco, State of California. Com Exp. Dec. 24/27.

(Notarial Seal)
Mail V. E. Williams, °/° N. P. Ry Co. Smith Bldg. Seattle

WARRANTY DEED 44235
Dec. 27, 1924 at 12:57 P. M. Vol 45 Deeds, Page Dec. 10, 1924

The Grantor, Alder Creek Lumber Company, a Washington Corporation, hereinafter referred to as "Lumber Company" does hereby for and in cons of Eight Hundred Fifty dollars (\$850.00) * * convey and warrant to the Northern Pacific Railway Company, a Wisconsin Corporation, herrinafter called "Railway Company" the fol des real estate in the County of Mason and State of Washington, to-wit:

A strip of land one hundred (100) feet in width, being fifty feet wide on each side of the center line of the main track of the Elma Branch Extension of the Railway Company as the same is now located, staked out and to be constructed over and across government lots five (5) six (6) sefen (7) and eight (8) of Section Twenty one (21) in Township Twenty (20) North Range three (3) West of the Willamette Meridian, said strip ofland containing eight and fifty four hundredths (8.54) acres, more or less.

The Lumber company reserves the right to cross said above des strip of land and track with a private road crossing at grade at or near railroad(crossing-intersecting) survey station Number 1835, the center line of said private crossing intersecting said located main track center line at a point distant nine hundred forty eight and six tenths (948.6) feet, more or less, northwesterly from its point of intersection with the South line of said section Twenty one. The Railway Company shall grade the approaches across said one hundred foot strip and construct a plank crossing between the rails. The Lumber Company also reserved the right to construct two additional private road crossings across said strip of land and track in government Lots seven (7) and eight (8) at points to be mutually agreed upon between the Railway Company and the Lumber Company.

The Lumber company reserves the right to construct tanks, at the sites of any springs on said above des strip of land provided the construction, operation and maintenance of said tanks does not in any way intefere with the construction, operation and maintenance of the Railway.

All merchantable timber on the above des strip of land is reserved by the Lumber Company, and the timber isto be placed on the land by the Railway Company on the northerly side of the above des strip of land, the Lumber Company to designate such logs as are to be saved.

The Railway Company agrees to keep its right of way fenced Said cons also being in full settlement of all claims and demands sustained by reason of the location, construction and maintenance and operation of said railway over and across said land.

(Corp Seal)

Alder Creek Lumber Company, By Gust Carlson, President Carl Carlson, Secretary

(\$1.00 R. S. Attest: aff and can.)

Ack. Dec. 10, 1924 by Gust Carlson and Carl Carlson Pres and Sec of the corp that executed the within and foregoing inst and ack the said inst to be the free and vol act and deed of said corp, for the uses and purposes therein mentioned and on oath stated that they were authorized to execute said inst and that the seal affixed is the corp seal of said corp., before P. L. Allen, N. P. in and for the State of Washington res at Seattle in said State. (Notarial Seal) Mail V. E. Williams, °/° N. P. Ry Co. Seattle Wn.

DEED 44236
Dec. 27, 1924 at 12:58 P. M. Vol 45 Deeds, Page
Dec. 15, 1924

·This deed, made * * * * * by Weyerhaeuser Timber Company, a corporation of Tacoma, washington, as the Grantor, to Northern Pacific Railway Company, a public service common carrier corporation, doing business in the State of Washington, as the Grantee, Witnesseth:

That whereas, Weyerhaeuser Timber Company, the Grantor herein is the owner of the West half of the Northwest Quarter (Wo of NW1), the Southeast Quarter of the North West Quarter (SE1 of NW1) and Lot Two (2) of Section Seventeen (17) Township Nineteen (19) North, Range Three (3) West in Mason County, Washington, all of the timber and forest growth sit thereon, and the Grantee desires a right of way across a portion thereof for the Elma Branch Extension;

Now therefore, in cons of the sum of Two Hundred and no/100 dollars in cash, * * * Weyerhaeuser Timber Company, the Grantor herein, does hereby grant and convey to said Northern Pacific Railway Company, the Grantee, the foldes lands in Mason County, State of Washingtoh, to-wit:

A strip of land on ehundred (100) feet in width being fifty (50) feet wide on each side of the center line of the main track of the Elma Branch Extension of said (Northern Pacific) Railway Company, as the same is now located, staked out and to be constructed, over and across the Southeast Quarter of the Northwest Quarter (SEt of NWt) and over and across government Lot Two (2) of Section seventeen (17) in Township Nineteen (19) North of Range three (3) West of the Willamette Meridian, containing Three and sixty eight hundredths (3.680) acres more or less, as the said right of way herein granted is marked and shown upon a blue print map designated as Exhibit "A" and furnter identification by the signature of Geo. S. Long, which is now referred to and made and part hereof.

The Grantor expressly saves, excepts and reserves out of the grant hereby made, unto itself, its successors and assigns, forever all oils, gases, coal, ores, minerals, and fossils of ever name, kind or description, and which may be in or upon said lands above des or any part thereof and the right to enter and explore the same for such oil, gases, coal, ores, minerals and fossils, and it also hereby saves and reserves out of the grant hereby made, unto itself, it successors * * forever, all the right to enter by itself, its agents, attorneys and servants upon said lands or any part or parts thereof, at any and all timbs, for the purpose of opening, developing and working

mines thereon, and taking out and removing thereform all such oils, gases, coal, ores, minerals and fossils and to that end it further expressly reserves out of the grant hereby made, unto itself, its uscessors and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain and use all such buildings, machinery roads and railroad, sink such shafts, remove such soil and to remain on said lands or any part thereof for the buisness of mining and to occupy as much of saidlnd as may be necessary or convenient for the successful prosecution of such mining business, hereby expressly reserving to itself all rights to and over said land * * * * * * *

And it is expressly covenanted and agreed by the Grantor or its successors and assigns, that if they shall operate under these reservations, and if in so doing the Grantee or its successors * * * are injured or damaged hereby, the party operating under these reservations shall pay to the said Grantee, in full compensation thereof, a reasonable sum for the actual injuries or damages to the said land, to the corps or to the improvements thereon, the value of said damages to be determined by arbitration between the parties

or by the adjuctation of a court.

Excepting and reserving also to the Grantor and for is + ** and the Grantee hereby conveys to the Grantor, an easment for right of way over and across the lands herein conveyed to the Grantee, for the purpose of transporting logs and forest products cut from the lands of the Grantor herin before des across the right of way herein granted to the Grantee, at any point on the lands of the Grantor and at its sole and costs and expense upon grade, and providing that the use thereof shall in no way interfere with the use of said right of way by the Grantee herein or be in violation of any regulation or law of the United States or of the Stateof washington.

Two Witnesses. (Corp Seal) \$.50 R. S. aff and can. Attest:

Weyerhaeuser Timber Company By Geo. S. Long, President

W. L. McCormick, Secretary.

Ack. Dec. 17, 1924 by Geo L. Long Vice President of the Corp that executed the with wand foregoing inst and ack the said inst to be the free and vol act and deed of said corp for the uses and purposes therein mentioned and on oath stated that tret were authorized to execute said inst and that the seal affixed is the corp seal of said corp., before Alfred F. Firmin, N. P. in and for the State of Washington, Pierce County, res at Tacoma in said County. (Notarial Seal)

(Blue Print Attached showing Route of Right of way) Mail V. E. Williams, °/o N. P. Ry Co. Seattle Washington.

MARGINAL SATISFACTION Vol. 38 Mtges, Page 352. Auditor's File No. 440055 Satisfied and paid in full this 29th day of December 1924. E. L. Kellogg, Auditor Annie May Fraser Walter C. Schumacher, Thomas Fraser Deputy.

经营销的人类企业 WARRANTY DEED 44238 Dec. 29, 1924 at 1:11 P. M. Vol 45 Deeds, Page Dec. 29, 1924

The Grantors, Henry Krise and Mary Krise, h and w, for and in cons of the sum of Three Hundred fifty dollars (\$350.00) * * * convey and warrant unto Robert Weatherill a married man, the fol des real estate sit in the County of Mason, State of Washington, to-wit:

SAT COND SALE

54811

DEED 51 Deeds, Page Apr. 13, 1928 at 4:15 P. M.

54812

Apr. 4, 1928

In consideration of Ninety five and no/100 Dollars **
the State of Washington doze hereby grant, bargain, sell
and convey unto J. B. Shelton, the fol des tide lands of
the second class, situate in front of the City of Shelton
in Mason County, Washington, to-wit:

All of Lots 259, 260 and 261 as shown on the official map of Shelton Tide Tands filed in the office of the Board of State Land Commissioners at Olympia, Vashington, March 14, 1893.

Holand H. Hartley, Governor Attest: A. M. Kitto, Assistant Secretary of State.

(Seal of the o of W) Mail to J. B. Shelton, City.

DEED 51 Deeds, Page Apr. 13, 1928 at 4 16 P. M. Mar. 7, 1928 31 54813 COMPARED

In consideration of Three Hundred eighty and no/100 Dollars * * the State of Washington does hereby grant, bargain, sell and convey unto J. B. Shelton, his heris * * the fol des School Lands, sit in the County of Mason, Washington, to-with

Lot One (1) of Section Thirty six (36) Township Twenty one (21) Forth Range Two (2) West W. M. containing 38 acres more or less, according to the government survey thereof.

No reservations. Roland H1 Hartley, Governor Attest: J. Grant Hinkle, Secretary of State.

(Seal of the State of Washington) Lail to J. B. Shelton, City.

COND SALE	54814
ASSIGN COND SALE	54815
CHAT MTGE	54816
	54817
CHAT LIGE	54818
COND SALE	24070

WARRANTY DEED 51 Deeds, Page Apr. 14, 1928 at 9:50 A. M. 38 COMPARED

Aug 9, 1927
This indenture Witnesseth, That Bert Eldred, sometimes known as Bert E. Eldred and B. E. Eldred, ind and as Executor of the Estate of Emma C. Eldred, deceased, party of the first part, for and in cons of the sum of Ten and no*100 Dollars in hand paid by Ralph Teats, party of the second part, * * does grant, bargain, sell and convey unto the said party of the s4cond part, the following des real property, situate, lying and being in the County of Mason, State of Washington, to-wit:

Lot One (1) in Block Thirty four (34) and Lots One (1) and Twenty (20) in Block thirty three (33) Also that part of Second street as shown on the official plat thereof adjoining lot 1 in Block 33 and lot 1 in Block 34; Also all of Woodbridge Street as shown on the official plat thereof adjoining on the North, lots one (1) and Twenty (20) of Block thirty seeen-(three (33) and Lot one of Block thirty four;

COND SALE COND SALE COND SALE ASSIGN COND SALE COND SALE COND SALE COND SALE ASSIGN COND SALE COND SALE ASSIGN COND SALE COND SALE 58248 COND SALE CHAT MTGE

WARRANTY DEED 52 Deeds, Page Mar 9, 1929 at 10:10 A. M. Mar 9, 1929

58251 COMPARED

The Grantors Ferdinand Edler and Ellan M. Edler, h and W, now and at the time of acquiring title to the within des real estate, for and in cons of the sumof Ten Dollars convey and warrant to Harry Edler a bachelor, the fol des real estate sit in the County of Mason, Stateof Washington, to-wit:

The Southwest Quarter of the Northeast Quarter of Section 24 Township 21 North Range Four (4) West W. M.

Ferdinand Edler Ellen M. Edler Ack. Mar 9, 1929 by Ferdinand Edler and Ellen M. Edler, h and w. before Alden C. Bayley N. P. in and forthe S of W, res at Shelton, Washington. (Notarial Seal) Mail to Harry Edler, Shelton, Washington.

COND SALE ASSIGN COND SALE COND SALE COND SALE HCAT MTGE ASSIGN CHAT MTGE CHAT MTGE ASSIGN CNAT MTGE CHAT MTGE 58260 58261 ASSIGN CHAT MTGE

WARRANTY DEED 52 Deeds, Page Mar 9, 1929 at 10:40 A. M. Feb. 2, 1929

58262 COMPARED

This Indenture made this * * by and between Puget Mill Company, a corporation, the party of thefirst part and Alder Oreck Lumber Company, a Wash corp, the party of the second part: Witnesseth: That the said party of the first part, for andin cons of the sum of Ten and no/100 Dollars does grant, bargain, sell and convey unto the party of the second part, the fol des parcet of land sit lying and being in the County of Mason, State of Washington, and more par

des as follows, to-wit: Lot Five(5) Block less that portion deeded to Mason County for Park and Couth Road and Lot Six Section 21 Township 20 North Range Three (3) West ". M. containing (70) acres more or less. t/Ces

There are excluded from the warranties of this deed any and all unpaid taxes and assessments, and any and all liens, incumbrances, charges and liabilities of whatsoever kind created, permitted or imposed upon said property from and after the 3rd day of July 1924.

Puget Mill Company, By A. G. Harms, Its V. Pres By F. L. Dettmann, Its Secretary. (Corp Seal)

Ack. Feb. 8, 1929 by A. G. Harms and F. ". Dettmann, Vice Pres and Sec resp of the corp (corp ack) before Minnie V. Collins, N. P. in and for the S of Valifornia, res at 1 (Notarial Seal)

Mail to Alder Creek Lumber Co. Tacoma Washington.

My Comm expires Jan. 28,1934. (70.8.) 70074
Abstracter's Note: see opposite page for zeknowledgment
Mail to R.Carlson
R.#1 Box 79, Paulsbo, Wash.

Statement of Ex-Cond Sale Assign Cond Sale 70075 70076 70077

W.D. Sept 30, 1932 9:45 A.M. Jan 19, 1932 70078

COMPARED

This Ind made and entered into * by and between Fuget Lill Company a corp of Cal and duly auth to trans and carry on business in the S of W, the p or the fp and Alder Creek Lumber Company.

VOL 58 Deeds, Fage 620

a Wash corp the post the sp;

Wit that the p of the fp for and in cons of the sum of \$10. lawful money of the U.S of A. and other val cons to it in hand paid by the said p of the sp the rec whereof is hereby ack does by these presents g, p, and s, c and c unto the said p of the sp and to its successors and assign forever, all that certain tr, lot piece or parcel of land sit lying and being in the C of L and S of W and more part bounded and des as follows towit:

Lot seven (7), (being the Southwest quarter of Southwest quarter (3/4 of SW2), and Lot Eight (8) Section Twenty-One (21), Township Twenty (20) North, Range Three (3) West, W.M., containing Sixty six and five tenth (66.5) acres, m or 1

Sub however to any and all easements, right of way or priv which may have been heretofore sold, granted cond or acquired in any lawful manner or by an municipality person, firm, corp or the pub over, across, upon or through any of said lands or any part thereof for priv pub, co or state roads, streets, railroads, log roads, tel or tel lines, electric power or lightclines, ditches, dikes flumes, pipe lines, docks, booms, or any other rights of way or easements, or privileges for cutting and removing timber, and rafting and storing logs.

The p of the fp hereby reserves unto itself and unto its succ and assigns, the full, complete and absolute right to all oils, gases, coal, minerals, metals and fossils of every name and nature which may be in or upon said land or any part thereof with the right of entry upon said land to prospect and explore for oils, gases, coal, minerals, metals and fossils of every name and nature and also to take, mine, and remove the same; prov however, said p of the sp its succ and assigns shall be reasonally compensated for all damages done to the surface and soil of said land, and the improvements thereon in carrying on any of such operations.

To h and to h the said premise with the app sub to any such easements, rights of way, priv and res unto the said p of the sp

and unto its succ and assigns forever.

and the said p of the fp for itself and its succ and assigns does hereby cov and agree to and with the said p of the sp its successors and assigns that it the said p of the fp all and sin the premises herein above conv des and grant sub however, to the said easements rights of way, priv and resumto the said p of the sp its * and against all and every person or persons whomsoever lawfully claiming to claim the same or any part thereof shall and will w and forever d.

There are exec from the w of this deed any and all unpaid taxes and assessments, and any and all liens, inc charges and liabilities of whatsoever kind created permitted or imposed upon said prop from and after the 18th day of Aug 1924.

Attest: John W.King, Its Secretary.

Puget Mill Company By A.G. Harms, Its Vice President.

Ack. Jan 20, 1932 by A.G.Harms and John W. Aing known to be the Vice Fres and Sec of the corp that exec the within and foregoing inst and ack the said inst to be the free and vol act and deed of said corp for the uses and pur therein ment and on oath stated that they were auth to exec said inst and that the seal aff is the corp seal of said corp before M.V. Collins, N.P. in and for the C and C of

70078

San Francisoco and S of Cal My comm will expire Apr 14, 1933.

(Notarial Seal)

Mail to Haden, Metzger & Blair, 523 Tacoma Bidg, Tacoma, Wash.

B of Sale Per Prop

70079

S of Sale Pers Prop

70080

W.D. Sept 30, 1932 3:29 P.M.

70081

Aug 8, 1932

COMPARED

The grs C.C.Eddy and Dawn H. Eddy, his w for and in cons
of \$10 and other val cons in hand paid cov and w/ to C.R.

VOL 58 Deeds, Page (2)

Douglass and Edith H. Douglass, his was the grantee_ the fol desire

Beginning at a point on the shere of hood's Canal S. 37° 05' W. 1186.20 feet distant from the Leander corner to fractional sections 1 and 12 of Township 22 M. Range 2 West, W.M., thence S. 52° 55' E. 218.94 feet, thence S. 48° 33' W. 51.02 feet, thence M. 52° 55' W. 208.08 feet, thence M. 37° 05' E. 50 feet to paint of beginning, together with tidelands abutting thereon. (abstracter's note: Tract 9 written in pencil) (the grantors hereby reserve permanent easement across said prop for the purpose of laying a water main and the grantees hereby consent to pay the grantors a proportionate cost for said water main).

(It is also understood and agreed that the grantors are to furnish the grantees free water for domestic purposes only)

situated in the c of M. S of W.

C.C.Eddy Dawn M Eddy

\$1.00 R.S.aff and can

Ack. Aug 9, 1932 by C.C.Eddy and Dawn H.Eddy his w before R.A.Noyes M.P. in and for the S of W, res at Bremerton

(Notarial Seal ()

Mil to C.R.Douglass, 409-417 Lst. Ave. 30. Seattle, Wash.

Cond Sale
Assign Cond Sale
Cond Sale
Cond Sale
Cattle Brand
Chat Mtgr.
Assign Cond Sale
70085
70086
70087

SIERIFF'S DEED VOL 58 Deeds, Page 12 2 70088
Oct 4, 1932 4:11 11:42 A.M.
Oct 4, 1932

This Ind made * between E.F Martin, Sheriff of the C of M, of W, p of the fp and William Cothary of the C of M, S of W p of the sp wit:

That, Whereas, by virtue of a gen exec issued out of and under the seal of the Superior Court of the S of W in and for the-G-ef said C on the 31 day of Aug 1931, upon a judgment in said Court in cause No. 2692 on the 15 day of Aug 1931, in favor of State Bank of Shelton, a State Danking corp

70088

COMPARED

and against Frances Weatherill and to the Sheriff of said C duly directed and delivered, commanding him that of the per prop of the said judgment debtor in his C he should cause to be made certain moneys in said Exec specified, and if suff per prop of the said judgment debtor could not be found he should then caue the amount so specified to be made out of the lands, ten and r e of the said judg debtor, on the 31 day of Aug 1931, or at any time afterwards;

And Wherea, Because sufficient per prop. of the said judgt debtor could not be found in said C whereof he, the said Sheriff could cause to be made the moneys specified in said Exec he, the said Sheriff aid, on the 31 day of Aug. 1931, in obedience to said command levy on, take and seize all the estate, right, title and int which the said judg debtor so had of, in and to the said lands, ten r e and premises, hereinafter part set forth and desc with the app thereunto belonging, and did on the 3 day of Oct 1931 at 10:00 o'clock, in the fore noon at the front door of the Court House in Shelton, in said C and S duly sell the premises hereinafter des at pub auction, accrd to taw, to William Cothary otherwise known as William Cothery who was the highest and best bidder therefor for the sum of \$500. Lawful moneys of the U.S of A which was the highest and best sum bidden and the whole price paid therefore, the said Sheriff having first given due and legal notice of the time and place of said dale, accord to law;

And Whereas, the said Sheriff, after receiving from said purchaser aser the sum of money so binden as aforesaid, gave to purchaser such certificate as is by law required to be given:

such certificate as is by law required to be given;
And Whereas, on the 17 day of October 1931, the said Superior
Court by an order, made and entered of record confirmed said sale;
And Whereas the time allowed by law for the redemption of

said prop has expired without such recemption having been made
Now, therefore, the said E.F.Martin, Sheriff of the C of
M, 3 of W and p of the fp hereto, by virtue of the said sale,
under said exec and said order confirming the same, and in
pursuance of the statute in such cases made and provided, and for
and in cons of the sum of \$500 lawful money of the U.S of A so
bid and paid as aforesaid, the rec whereof is hereby ack has
granted, bargained, sold, conv and conf and by these presents does
g,b,s c and c unto the said p of the sp and to his heirs and assigns
the forever, the fol des r prop sit in the C of M, S of W, and
Des and as follows, towit:

Beginning at the Southeast corner of the Southwest quarter of the Southeast quarter of Section 20, Township 19 North, Range 3 dec., J.M ; run thence North, along the Bast line of said forty, 165 feet to the initial point to a tract of land described as follows: From said initial point run Morth, along said E. line, 417.4 feet to the South side of the right of way of the County Road (Harscrabble Road); thence along said right of way H. 76° W. 252.5 feet and N. 79° 20' W. 192.7 feet to the intersection of the right of way of said County Road with the East side of the right of way of the Olympic Read Highway; thence along the E. side of the right of way of said Olympic Highway S. 30° 15' W. 216 feet and S. 41° 45' West 201.4 feet; thomac S. 75° 44' E. 703.5 feet, more or less, to the initial point, excepting therefrom one square acre on the East side of the Olympic Highway at the junction of the Oyster Bay Road or Harscrabble Road, and on the South side of said road, the residue containing 4.54 acres, more or less.

Also one square acre of ground in the Southwest quarter of the Southeast quarter of Section 20, Township 19 North, Range 3 West W.H. bounded on the North by the Oyster Bay Road (Harscrabble Road) and on the West by the Olympic Highway excepting from all of the above pub Towns, All in M.C. W

Together with all and sign the ten here and app thereunto belonging or in anywise appertaining

To h and to h the said premises and app thereunto belonging unto the said p of the sp his heirs and assign forever, as fully and absolutely as the said p of the fp can may or ought to by virtue

BOUNDARY LINE AGREFMENT

THIS AGREEMENT, made and entered into this 15th day of July, 1962, by and between Wilbert S. Catto and Alma K. Catto, husband and wife, parties of the first part, and Simpson Timber Company, a corporation, party of the second part, WITNESSETH:

WHEREAS, The parties of the first part owned Government Lot 8, Section 21, Township 20 North, Range 3 West, W.M., Mason County, Washington; and,

WHEREAS. The party of the second part owns Government Lot 6, Section 20, Township 20 North, Range 3 West, W.M., Mason County, Washington; and,

WHEREAS, Government Lot 6. Section 20, Township 20 North, Range 3 West, N.M., and Government Lot 8, Section 21, Township 20 North, Range 3 West, W.M., have a common boundary line, which common boundary line is also the Section line between said Sections 20 and 21, Township 20 North, Range 3 West, W.M; and,

WHEREAS, The parties of the first part have caused to be surveyed and thereafter filed a recorded plat known as Alder Creek Tracts, Volume 4 of Plats, page 22, under date of September 9, 1940; and.

WHEREAS, There has been a re-survey of the Plat of Alder Creek Tracts, by H. H. Snelgrove, a licensed surveyor, under date of May 24, 1962, and a map made thereof; and,

WHEREAS, The Snelgrove survey discloses that there was an error in the location of the Section line between Sections 20 and 21, said Township 20 North, Range 3 West, N.M., in that the true Section line is West of the Section line as shown on the Plat of Alder Creek Tracts; and,

WHEREAS, Simpson Timber Company's surveyors have located the said Section line which agrees with the said Snelgrove survey, and have monumented the same on the ground, and have orientated the monuments marking the said Section line with the Washington State Coordinate marking the said Section line with the Washington State Coordinate of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Sections line, and which is hereto attached and marked of said Sections line, and which is hereto attached and marked of said Sections line, and which is hereto attached and marked of said Sections line, and which is hereto attached and marked of said Sections line, and which is hereto attached and marked of said Sections line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked of said Section line, and which is hereto attached and marked line. The said said line is said said line, and line line, and line, and line, and line, and line line, and line, and line, a

NOW THEREFORE, The parties of the first part and the party of the second part join in the execution of this agreement for the sole purpose of evidencing the location of the true Section line common to said Sections 20 and 21, as disclosed by said surveys and also evidencing agreement as to the common boundary line of the real estate owned by the respective parties hereto, as shown on said Exhibit A hereto attached.

IN WITNESS WHEREOF, the parties have hereunto caused their hands and seals to be hereunto affixed the day and year first above written.

Wilbert S. Catto

(SEAL)

SIMPSON TIMBER COMPANY

By

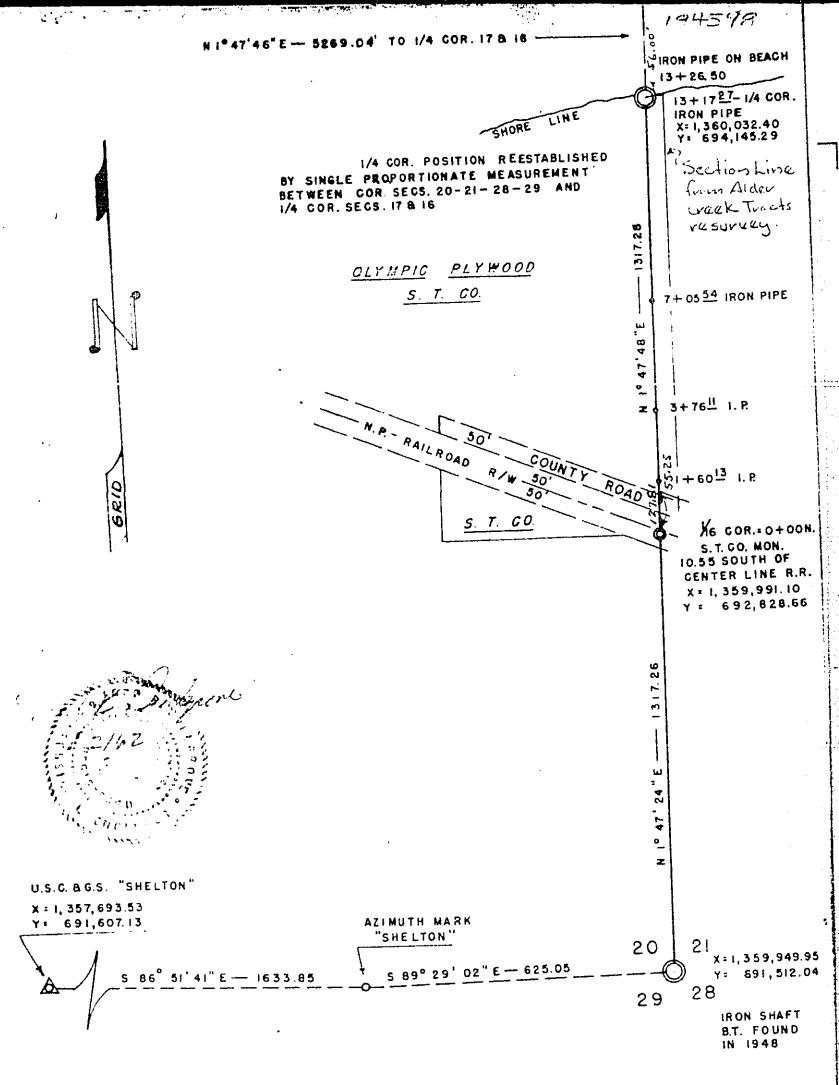
AM BANG 5 /

STATE OF HAWAII DISTRICT I, the undersigned, a Notary Public in and for the State of Hawaii, duly commissioned and sworn, do hereby certify that on this 2700 day of July, 1962, personally appeared before me WILBERT 5. CATTO, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed and sealed the same as his free and well voluntary act and deed for the uses and purposes therein mentioned. Given under my hand and official seal the day and year above written. Notary Public in and for the State of Hawaii, residing at Arrotale Advi They Communion STATE OF WASHINGTON,) COUNTY OF MASON I, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, do hereby certify that on this 3000 day of July, 1962, personally appeared before me ALMA K. CATTO, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed and sealed the same as her free and voluntary act and deed for the uses and purposes therein mentioned. Given under my hand and official seal the day and year above written. Notary Public in and for the State of Washington, residing at Shelton. STATE OF WASHINGTON, COUNTY OF MASON On this 3rd day of July, 1962, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared H. O. PUHN, to me known to be the Land & Timber manager of Simpson Timber Company, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on cath stated that he was authorized to execute said instrument. anaxinate <u>thex teal xaffixed xitxibexed roratex and xulxulidex entrication.</u> Witness my hand and official seal hereto affixed the day year first above written. Notary Public in and for the State Washington, residing at Shelton. 194598 When recorded mail to: Port Commission of Shelton. MICROFILM c/o James As Pauley, Chairman Record Identity 2 01 PM '6Z Shelton, Washington. Reel & F

MASUN COUNTY AUDITOR

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ATLE FRAME 57



SURVEY BY

TIMBER COMPANY SIMPSON

THE EASTERLY BOUNDARY TO DETERMINE 0 F

SEC. 20, T. 20 N. — R. 3 W. W. M.

COORDINATES BASED ON WASHINGTON STATE COORDINATE SYSTEM, SOUTH ZONE 1962 SCALE + I INCH = 300 FEET JUNE.

REAL BY FRANK ST.

THE GPANTOR, The Port of Shelton, for good and valuable consideration, receipt of which is hereby acknowledged, does hereby grant to the City of Shelton an easement through and under the following lands in Mason County, State of Mashington, to wit:



- (1) Tract I in the plat of Alder Creek Tracts according to the recorded plat thereof in the office of the Auditor for Mason County, Washington, Volume 4 of Plats, page 22, and all that portion of Gov. Let 8, Section 21, T20N, R3N, W.M., which lies westerly of the westerly line of the plat of Alder Creek Tracts, according to the recorded plat aforesaid and northerly of the northerly line of Pav Avenue, as shown on said plat, extended westerly.
- (2) Tideland lot 257 as shown on the official map of Shelton Tidelands filed in the office of the Board of State Land Commissioner at Olympia, Washington, March 14, 1893, lying and being in front of Section 21, T20N, R5W, W.M.

said easement being a strip of land fifteen (15) feet in width, lying seven and one-half $(7 \ 1/2)$ feet on each side of the following described center line and projections thereof:

Beginning at a point on the west line of Section 21, T20N, R3W, W.M., which is North 2065.28 feet from the southeast corner thereof and running thence N 56°05'56'F, 145.09 feet to the beginning of a curve to the left whose radius is 565.00 feet and whose central angle is 12°18'25'; thence along the arc of said curve 126.20 feet; thence, tangent to said curve, N 43°17'31"E, 85.01 feet, more or less, to a point on the northeasterly line of said Tideland Lot 257 which is S 5°°27'F, 69.21 feet from the northwest corner thereof.

AFFIDAVIT No.54230 WN. REAL ESTATE EXC SE TAX EXEMPT

together with a temporary construction permit as required in and upon which to law, operate, and maintain sewer pipes, together with any appurtenances within said easement.

STP 21 1977

The Grantee shall have the right to enter upon said premises and to open up said pipeline, or any part thereof, for the purpose of maintaining, repairing or renewing the same as occasion may require. The surface shall be restored to its present condition or as nearly thereto as shall be reasonably possible.

JOHN 3. COLE Jreas, was county

Said easement shall not prohibit or impair the normal use of the land for transportation, parking, or other vehicular use, including necessary equipment for development of the ewner's land, provided, however, that any disturbance or construction upon or within the easement area shall be under the supervision of the City of Shelton.

The Grantee agrees to remove the existing municipal sewer outfall and overburden to provide a uniform elevation with the adjacent area. Said work to be accomplished within one year after the completion of the new sewage treatment plant and abandonment of the present facility.

The granting of this easerent shall be binding upon the executors and assigns of the grantors.

Dated this 194k day of September 1977.

PORT OF SHELTON

By James Connolly, President

STATE OF WASHINGTON

County of

On this day personally appeared before me

to me known as the individual (s) described in and who executed the: within foregoing instrument, and acknowledged that signed the same as free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 19 day of Septeme

Notary Public in and for the State of Washington, residing at

777 SET 21 FM 1:33

1975718 MASON CO WA 06/28/2011 09:24 AM EASMT CITY OF SHELTON #46898 Rec Fee: \$92.00 Pages: 31

When recorded, return to: City of Shelton 525 West Cota Street Shelton, WA 98584-2239



AQUATIC LANDS OUTFALL EASEMENT

EASEMENT NO. 51-081318

Grantor:

Washington State Department of Natural Resources

Grantee(s):

City of Shelton

Legal Description: Section 21, Township 20 North, Range 03 West, W.M.

Assessor's Property Tax Parcel or Account Number: 320218888888

Assessor's Property Tax Parcel or Account Number for Upland parcel used in conjunction with

this Easement: 320215100001, 320204160010, 320204100072, 320204100070

THIS AGREEMENT is made by and between the STATE OF WASHINGTON, acting through the Department of Natural Resources ("State"), and CITY OF SHELTON, a government agency/entity, ("Grantee").

BACKGROUND

Grantee desires to use state-owned aquatic lands located in Mason County, Washington for the purpose of discharging effluent from an outfall pipeline. Grantee has obtained regulatory authorizations for this purpose including, but not limited to, a National Pollutant Discharge Elimination System ("NPDES") Permit.

State is willing to grant an easement for a term to Grantee in reliance upon Grantee's promises to operate the outfall in compliance with all laws and permits and in the manner as described in all regulatory authorizations.

Nonetheless, State's goals are to promote water re-use and reduce reliance on in-water disposal of waste effluent, storm water and other discharges that affect the use and environmental conditions of state-owned aquatic lands and associated biological communities. Therefore, future grants of easement rights will depend on Grantee's satisfactory progress toward implementation of reasonably practical disposal alternatives.

THEREFORE, the Parties agree as follows:

SECTION 1 GRANT OF EASEMENT

1.1 Easement Defined.

- (a) State grants and conveys to Grantee a nonexclusive easement, subject to the terms and conditions of this agreement, over, upon, and under the real property described in Exhibit A. In this agreement, the term "Easement" means this agreement and the rights granted; the term "Easement Property" means the real property subject to the easement.
- (b) This Easement is subject to all valid interests of third parties noted in the records of Mason County, or on file in the office of the Commissioner of Public Lands, Olympia, Washington; rights of the public under the Public Trust Doctrine or federal navigation servitude; and treaty rights of Indian Tribes.
- (c) This Easement does not include any right to harvest, collect or damage any natural resource, including aquatic life or living plants, any water rights, or any mineral rights, including any right to excavate or withdraw sand, gravel, or other valuable materials.
- (d) State grants to Grantee a nonexclusive essement for construction purposes only over the property described in Exhibit B.

1.2 Survey and Easement Property Descriptions.

- (a) Grantee prepared Exhibit A, which describes the Easement Property. Grantee warrants that Exhibit A is a true and accurate description of the Easement boundaries and the improvements to be constructed or already existing in the Easement area.
- (b) Grantee shall not rely on any written legal descriptions, surveys, plats, or diagrams ("property description") provided by State. Grantee shall not rely on State's approval or acceptance of Exhibit A or any other Grantee-provided property description as affirmation or agreement that Exhibit A or other property description is true and accurate. Grantee's obligation to provide a true and accurate description of the Easement Property boundaries is a material term of this Easement.

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- (c) State accepts a preliminary Exhibit A upon the Commencement Date of this Easement. Grantee shall submit a final Exhibit A for State's approval within Ninety (90) days of the Commencement Date. Upon State's written approval, the final Exhibit A supersedes the preliminary Exhibit A. Until superseded, the preliminary Exhibit A has full legal effect.
- 1.3 Condition of Easement Property. State makes no representation regarding the condition of the Easement Property, improvements located on the Easement Property, the suitability of the Easement Property for Grantee's Permitted Use, compliance with governmental laws and regulations, availability of utility rights, access to the Easement Property, or the existence of hazardous substances on the Easement Property.

SECTION 2 USE

2.1 Permitted Use. Grantee shall use the Easement Property for: A Wastewater Outfall (the "Permitted Use"), and for no other purpose. The Permitted Use is described or shown in detail in Exhibit B.

2.2 Restrictions on Use.

- (a) Grantee shall not cause or permit any damage to natural resources on the Easement Property or adjacent state-owned aquatic lands, regardless of whether the damages are a direct or indirect result of the Permitted Use.
- (b) Unless approved by State in writing, Grantee shall not cause or permit any filling activity to occur on the Easement Property or adjacent state-owned aquatic land, except to the extent expressly permitted in Exhibit B. This prohibition includes any deposit of rock, earth, ballast, wood waste, refuse, garbage, waste matter (including chemical, biological, or toxic wastes), hydrocarbons, any other pollutants, or other matter. Outfall discharges in full compliance with a valid NPDES Permit are not subject to this prohibition.
- (c) Grantee shall neither commit nor allow waste to be committed to or on the Easement Property or adjacent state-owned aquatic land.
- (d) Failure to Comply with Restrictions on Use.
 - (1) Grantee's failure to comply with the restrictions on use under this Subsection 2.2 is a breach subject to Subsection 14.1. Grantee shall cure the breach by taking all steps necessary to remedy the failure and restore the Easement Property and adjacent state-owned aquatic lands to the condition before the failure occurred within the time for cure provided in Subsection 14.1. Additionally, Grantee shall mitigate environmental damages in accordance with Paragraph 2.2(d) (3).
 - (2) If Grantee fails to cure the default in the manner described in this Paragraph 2.2(d), State may terminate in accordance with Subsection 14.1. In addition, the State may (1) restore the Easement Property and adjacent state-owned aquatic lands and charge Grantee remedial costs and/or (2)

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charge Grantee environmental damages. Upon demand by State, Grantee shall pay all remedial costs and environmental damages.

- (3) Mitigation of Environmental Damages
 - (i) Grantee shall prepare a written plan, subject to State's approval, incorporating measures to (1) eliminate or minimize future impacts to natural resources, (2) replace unavoidable lost or damaged natural resource values, and (3) monitor and report on plan implementation. Grantee shall implement the plan upon State's approval.
 - (ii) Grantee shall compensate State in accordance with Subsection 5.4 for lost or damaged resource values that are not replaceable.
 - (iii) If a regulatory authority requires Grantee to provide mitigation on state-owned aquatic lands, Grantee shall coordinate the proposed mitigation activities with state and obtain an appropriate use authorization prior to commencement of activities.
- (e) State's failure to notify Grantee of Grantee's failure to comply with all or any of the restrictions set out in this Subsection 2.2 does not constitute a waiver of any remedies available to State.
- (f) This Section 2.2 does not limit Grantee's liability under Section 8, below.
- 2.3 Conformance with Laws. Grantee shall keep current and comply with all conditions and terms of any permits, licenses, certificates, regulations, ordinances, statutes, and other government rules and regulations regarding its use of the Easement Property.
- **2.4** Liens and Encumbrances. Grantee shall keep the Easement Property free and clear of any liens and encumbrances arising out of or relating to its use of the Easement Property, unless expressly authorized by State in writing.

2.5 Interference with Other Uses.

- (a) Grantee shall exercise Grantee's rights under this Easement in a manner that minimizes or avoids interference with the rights of State, the public or others with valid right to use or occupy the Easement Property or surrounding lands and water.
- (b) To the fullest extent reasonably possible, Grantee shall place and construct Improvements in a manner that allows unobstructed movement in and on the waters above and around the Easement Property.
- (c) Except in an emergency, Grantee shall provide State with written notice of construction or other significant activity on Easement Property at least thirty (30) days in advance. "Significant Activity" means any activity that may affect use or enjoyment by the State, public, or others with valid rights to use or occupy the Easement Property or surrounding lands and water.
- (d) Grantee shall mark the location of any hazards associated with the Permitted Use and any Improvements in a manner that ensures reasonable notice to the public. Grantee shall mark the location and limits of the Improvements. The signs and

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notices shall identify the type of installation (e.g., an outfall pipe) and identify Grantee as the entity responsible for the Permitted Use and its maintenance. As required by applicable regulation, Grantee shall facilitate amendment of official navigational charts to indicate existence and location of submerged improvements.

2.6 Amendment Upon Change of Permit Status. State reserves the right to amend the terms and conditions of this Easement whenever any regulatory authority (1) modifies a permit in a manner affecting the provisions of this Easement or (2) allows for a change in the manner of outfall operation including, but not limited to, a change in the type, quality, or quantity of discharge.

SECTION 3 TERM

3.1 Term Defined. The term of this Easement is Thirty (30) years (the "Term"), beginning on the 1st day of June, 2011 (the "Commencement Date"), and ending on the 31st day of May, 2041 (the "Termination Date"), unless terminated sooner under the terms of this Easement.

3.2 Renewal of the Easement.

- (a) This Easement does not provide a right of renewal. Grantee may apply for a new Easement, which State has discretion to grant subject to requirements in Paragraph 3.2(b) Grantee must apply for a new Easement at least one (1) year prior to Termination Date and State will respond with denial or consent within ninety (90) days.
- (b) Reduction of Discharge on State-Owned Aquatic Lands
 - (1) Grantee warrants that Grantee considered alternatives to minimize impact of discharge as summarized in Exhibit B.
 - (2) At the time of application to renew the NPDES Permit, or every five (5) years, whichever is first, Grantee shall submit to State a report addressing progress to reduce discharges on state-owned aquatic land and associated biological communities. "Progress" means Grantee is analyzing or developing alternative disposal methods including, but not limited to, (1) reduction of inflow and infiltration; (2) groundwater recharge; (3) stream augmentation, industrial process supply, and/or agricultural application; (4) water conservation programs; (5) other water re-use projects.
 - (3) State will consider reports submitted under Subparagraph 3.2(b) (1) in evaluation of Grantee's application to enter into a new Easement. If reports demonstrate insufficient progress toward disposal alternatives that abate impacts to state-owned aquatic land and associated biological communities, State may either:
 - (i) Require Grantee to undertake investigation and analysis of reasonably practical disposal alternatives to the Permitted Use, or

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- (ii) Rely on State's alternatives analysis developed in accordance with WAC 332-30-122(2) (d) and other regulations.
- (4) Grantee's failure to anticipate and conduct disposal alternatives investigation and analysis may delay or prevent issuance of a new Easement.
- (5) State is under no obligation to issue a new Easement if Grantee fails to comply with this Paragraph 3.2(b).

3.3 End of Term.

- (a) Upon the expiration or termination of this Easement, Grantee shall remove Improvements in accordance with Section 7, Improvements, and surrender the Easement Property to State restored to a condition substantially like its natural state before construction and operation of the outfall.
- (b) If Easement Property does not meet the condition described in Paragraph 3.3(a), the following provisions apply.
 - (1) State shall provide Grantee a reasonable time to take all steps necessary to remedy the condition of the Easement Property. State may require Grantee to enter into a right-of-entry or other use authorization prior to the Grantee entering the Easement Property to remedy any breach of this Subsection 3.3.
 - (2) If Grantee fails to remedy the condition of the Easement Property in a timely manner, State may take any steps reasonably necessary to remedy Grantee's failure. Upon demand by State, Grantee shall pay all costs of such remedial action, including but not limited to the costs of removing and disposing of any material deposited improperly on the Easement Property, lost revenue resulting from the condition of the Easement Property prior to and during remedial action, and any administrative costs associated with the remedial action.

SECTION 4 FEES

- **4.1 Fee.** For the Term, Grantee shall pay to State an administrative fee calculated in accordance with RCW 79.110.230(1). State shall bill Grantee for the administrative fee, which Grantee shall pay within thirty (30) days of billing. Any payment not paid by State's close of business on the date due is past due.
- **4.2 Payment Place.** Grantee shall make payment to Financial Management Division, 1111 Washington St SE, PO Box 47041, Olympia, WA 98504-7041.

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SECTION 5 OTHER EXPENSES

- **5.1 Utilities.** Grantee shall pay all fees charged for utilities in connection with the use of the Easement Property.
- **Taxes and Assessments.** Grantee shall pay all taxes, assessments, and other governmental charges, of any kind whatsoever, applicable or attributable to the Easement and the Permitted Use.
- **Failure to Pay.** If Grantee fails to pay any of the amounts due under this Easement, State may pay the amount due, and recover its cost in accordance with Section 6.

5.4 Environmental Damages.

- (a) If required to mitigate for environmental damage under Paragraph 2.2(d) (3) (ii), Grantee shall compensate State for lost or damaged resource values upon State's demand. The value of damages shall be determined in accordance with Paragraph 5.4(b).
- (b) Unless the Parties otherwise agree on the value, a three-member panel of appraisers will determine the measure of lost or damaged resource values. The appraisers shall be qualified to assess economic value of natural resources. State and Grantee each shall appoint and compensate one member of the panel. By consensus, the two appointed members shall select the third member, who will be compensated by State and Grantee equally. The panel shall base the calculation of damages on generally accepted valuation principles. The written decision of the majority of the panel shall bind the Parties.

SECTION 6 LATE PAYMENTS AND OTHER CHARGES

6.1 Late Charge. If State does not receive any payment within ten (10) days of the date due, Grantee shall pay to State a late charge equal to four percent (4%) of the amount of the payment or Fifty Dollars (\$50), whichever is greater, to defray the overhead expenses of State incident to the delay.

6.2 Interest Penalty for Past Due Fees and Other Sums Owed.

- (a) Grantee shall pay interest on the past due fees at the rate of one percent (1%) per month until paid, in addition to paying the late charges determined under Subsection 6.1, above.
- (b) If State pays or advances any amounts for or on behalf of Grantee, Grantee shall reimburse State for the amount paid or advanced and shall pay interest on that amount at the rate of one percent (1%) per month from the date State notifies Grantee of the payment or advance. This includes, but is not limited to taxes,

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assessments, insurance premiums, costs of removal and disposal of unauthorized materials pursuant to Subsection 2.2 above, costs of removal and disposal of improvements pursuant to Section 7 below, or other amounts not paid when due.

- 6.3 Referral to Collection Agency and Collection Agency Fees. If State does not receive payment within thirty (30) days of the due date, State may refer the unpaid amount to a collection agency as provided by RCW 19.16.500 or other applicable law. Upon referral, Grantee shall pay collection agency fees in addition to the unpaid amount.
- 6.4 No Accord and Satisfaction. If Grantee pays, or State otherwise receives, an amount less than the full amount then due, State may apply such payment as it elects. No endorsement or statement on any check, any payment, or any letter accompanying any check or payment constitutes accord and satisfaction.

SECTION 7 IMPROVEMENTS

7.1 Improvements Defined.

- "Improvements," consistent with RCW 79.105 through 79.145, are additions (a) within, upon, or attached to the land. This includes, but is not limited to, structures and fixtures.
- "Personal Property" means items that can be removed from the Easement (b) Property without (1) injury to the Easement Property, adjacent state-owned lands or Improvements or (2) diminishing the value or utility of the Easement Property, adjacent state-owned lands or Improvements.
- "State-Owned Improvements" are Improvements made or owned by State. State-(c) Owned Improvements includes any construction, alteration, or addition to State-Owned Improvements made by Grantee.
- (d) "Grantee-Owned Improvements" are Improvements made by Grantee with State's consent.
- (e) "Unauthorized Improvements" are Improvements made on the Easement Property without State's prior consent or Improvements made by Grantee that do not conform with plans submitted to and approved by the State.
- "Improvements Owned by Others" are Improvements made by Others with a right (f) to occupy or use the Easement Property or adjacent state-owned lands.
- 7.2 Existing Improvements. On the Commencement Date, the following Improvements are located on the Easement Property: Concrete outfall pipe approximately 1,000 feet in length, 192 linear feet HDPE outfall diffuser, 30 cubic yards of quarry spall to provide outfall placement. The Improvements are Grantee-Owned Improvements.

7.3 Construction, Major Repair, Modification, and Demolition.

This Subsection 7.3 governs construction, alteration, replacement, major repair, modification alteration, demolition and deconstruction of Improvements

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- ("Work"). Section 11 governs routine maintenance and minor repair of Improvements and Easement Property.
- (b) Except in an emergency, Grantee shall not conduct any Work, except as described in Exhibit B, without State's prior written consent, as follows:
 - (1) State may deny consent if State determines that denial is in the best interests of the State. State may impose additional conditions reasonably intended to protect and preserve the Easement Property. If Work is for removal of Improvements at End of Term, State may waive removal of any or all Improvements.
 - (2) Except in an emergency, Grantee shall submit to State plans and specifications describing the proposed Work at least sixty (60) days before submitting permit applications to regulatory authorities unless Grantee and State otherwise agree to coordinate permit applications. At a minimum or if no permits are necessary, Grantee shall submit plans and specifications at least ninety (90) days before commencement of Work. This submittal requirement does not apply to activity described in Exhibit B.
 - (3) State waives the requirement for consent if State does not notify Grantee of its grant or denial of consent within sixty (60) days of submittal.
- (c) Grantee shall notify State of emergency Work within five (5) business days of the start of such Work. Upon State's request, Grantee shall provide State with plans and specifications or as-builts of emergency Work.
- (d) Grantee shall not commence or authorize Work until Grantee has:
 - (1) Obtained a performance and payment bond in an amount equal to one hundred percent (100%) of the estimated cost of construction. Grantee shall maintain the performance and payment bond until Grantee pays in full the costs of the Work, including all laborers and material persons.
 - (2) Obtained all required permits.
 - (3) Provided notice of Significant Activity in accordance with Paragraph 2.5(c).
- (e) Grantee shall preserve and protect Improvements Owned by Others, if any
- (f) Grantee shall preserve all legal land subdivision survey markers and witness objects ("Markers.") If disturbance of a Marker will be a necessary consequence of Grantee's construction, Grantee shall reference and/or replace the Marker in accordance with all applicable laws and regulations current at the time, including, but not limited to Chapter 58.24 RCW. At Grantee's expense, Grantee shall retain a registered professional engineer or licensed land surveyor to reestablish destroyed or disturbed Markers in accordance with U.S. General Land Office standards.
- (g) Before completing Work, Grantee shall remove all debris and restore the Easement Property, as nearly as possible, to its natural condition before the Work began. If Work is intended for removal of Improvements at End of Term, Grantee shall restore the Easement Property in accordance with Subsection 3.3, End of Term.

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- (h) Upon completing work, Grantee shall promptly provide State with as-built plans and specifications.
- (i) State shall not charge rent for authorized Improvements installed by Grantee during this Term of this Easement, but State may charge rent for such Improvements when and if the Grantee or successor obtains a subsequent use authorization for the Easement Property and State has waived the requirement for Improvements to be removed as provided in Subsection 7.4.

7.4 Grantee-Owned Improvements at End of Easement.

- (a) Disposition
 - (1) Grantee shall remove Grantee-Owned Improvements in accordance with Subsection 7.3 upon the expiration, termination, or cancellation of the Easement unless State waives the requirement for removal or State determines that abandonment of Improvements is in the best interests of State.
 - (2) Grantee-Owned Improvements remaining on the Easement Property on the expiration, termination or cancellation date become State-Owned Improvements without payment by State, unless State elects otherwise. State may refuse or waive ownership.
 - (3) If Grantee-Owned Improvements remain on the Easement Property after the expiration, termination, or cancellation date without State's consent, State may remove all Improvements and Grantee shall pay the costs of removal and disposal.
- (b) Determination of Removal or Abandonment.
 - (1) State may waive removal of any or all Grantee-Owned Improvements whenever State determines that it is in the best interests of the State. State will consider it in the best interests of the State to waive removal where abandonment is less detrimental than removal to the long term use and management of state-owned lands and resources.
 - (2) If Grantee renews the Easement or enters into a new Easement, State may waive requirement to remove Grantee-Owned Improvements. State also may consent to Grantee's continued ownership of Grantee-Owned Improvements.
 - (3) If Grantee does not renew the Easement or enter into a new Easement, State and Grantee shall coordinate removal or abandonment as follows:
 - (i) Grantee must notify State at least one (1) year before the Termination Date of its proposal to either leave or remove Grantee-Owned Improvements.
 - (ii) State, within ninety (90) days, will notify Grantee whether State (1) does not waive removal or (2) consents to abandonment.
- (c) Grantee's Obligations if State Consents to Abandonment.
 - (1) Grantee shall conduct Work necessary for abandonment in accordance with Subsection 7.3.
 - (2) The submittal of plans and specifications shall identify means for plugging pipelines and notifying public of abandoned Improvements.

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- (d) Grantee's Obligations if State Waives Removal.
 - Grantee shall not remove Improvements if State waives the requirement (1) for removal of any or all Grantee-Owned Improvements.
 - (2) Grantee shall maintain such Improvements in accordance with this Easement until the expiration, termination, or cancellation date. Grantee is liable to State for cost of repair if Grantee causes or allows damage to Improvements State has designated to remain.

7.5 Disposition of Unauthorized Improvements.

- Unauthorized Improvements belong to State, unless State elects otherwise.
- State may either: (b)
 - (1) Consent to Grantee ownership of the Improvements, or
 - (2) Charge use and occupancy fee in accordance with RCW 79.105.200 of the Improvements from the time of installation or construction and
 - Require Grantee to remove the Improvements in accordance with (i) Subsection 7.3, in which case Grantee shall pay use and occupancy fee for the Improvements until removal,
 - Consent to Improvements remaining and Grantee shall pay use and (ii) occupancy fee for the use of the Improvements, or
 - (iii) Remove Improvements and Grantee shall pay for the cost of removal and disposal, in which case Grantee shall pay use and occupancy fee for use of the Improvements until removal and disposal.

7.6 Disposition of Personal Property.

- Grantee retains ownership of Personal Property unless Grantee and State agree (a) otherwise in writing.
- (b) Grantee shall remove Personal Property from the Easement Property by the Termination Date. Grantee is liable for any damage to the Easement Property and to any Improvements that may result from removal of Personal Property.
- State may sell or dispose of all Personal Property left on the Easement Property (c) after the Termination Date.
 - If State conducts a sale of Personal Property, State shall apply proceeds (1)first to the State's administrative costs in conducting the sale, second to payment of amount that then may be due from the Grantee to the State. and State shall pay the remainder, if any, to the Grantee.
 - (2) If State disposes of Personal Property, Grantee shall pay for the cost of removal and disposal.

7.7 Disposition of State-Owned Improvements.

Grantee shall remove State-Owned Improvements in accordance with Subsection (a) 7.3 by the expiration, termination, or cancellation date of this Easement unless State waives the requirement for removal.

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SECTION 8 ENVIRONMENTAL LIABILITY/RISK ALLOCATION

8.1 Definitions.

- "Hazardous Substance" means any substance that now or in the future becomes (a) regulated or defined under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to human health, environmental protection, contamination, pollution, or cleanup, including, but not limited to, the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901 et. seq., as amended; Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. 9601 et seq., as amended; Washington's Model Toxics Control Act ("MTCA"), Chapter 70.105 RCW, as amended; and Washington's Sediment Management Standards, WAC Chapter 173-204.
- "Release or threatened release of Hazardous Substance" means a release or (b) threatened release as defined under any law described in Paragraph 8.1(a) or any similar event defined under any such law.
- "Utmost care" means such a degree of care as would be exercised by a very (c) careful, prudent, and competent person under the same or similar circumstances; the standard of care established under MTCA, RCW 70.105D.040.

8.2 General Conditions.

- Grantee's obligations under this Section 8 extend to the area in, on, under, or (a) above:
 - (1) The Easement Property and
 - (2)Adjacent state-owned aquatic lands where a release or the presence of Hazardous Substances may arise from Grantee's use of the Easement Property.
- Standard of Care. (b)
 - (1)Grantee shall exercise the utmost care with respect to Hazardous Substances.
 - In relation to the Permitted Use, Grantee shall exercise utmost care for the (2) foreseeable acts or omissions of third parties with respect to Hazardous Substances, and the foreseeable consequences of those acts or omissions, to the extent required to establish a viable, third-party defense under the law, including – but not limited to – RCW 70.105D.040.

8.3 Current Conditions and Duty to Investigate.

- Hazardous Substances are known to exist in, on, under, or above the Easement (a) Property or adjacent state-owned lands. These are identified in Exhibit C. State makes no representations or warranties of any kind or nature regarding the accuracy, completeness, or any other matter relating to Exhibit C. Hazardous Substances other than those identified in Exhibit C may exist in, on, under, or above the Easement Property.
- (b) This Easement does not impose a duty on State to conduct investigations or supply information to Grantee about Hazardous Substances.

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(c) Grantee is responsible for conducting all appropriate inquiry and gathering sufficient information concerning the Easement Property and the existence, scope, and location of any Hazardous Substances on the Easement Property or on adjacent lands that allows Grantee to meet Grantee's obligations under this Easement.

8.4 Use of Hazardous Substances.

- (a) Grantee, its, contractors, agents, employees, guests, invitees, or affiliates shall not use, store, generate, process, transport, handle, release, or dispose of Hazardous Substances, except in accordance with all applicable laws.
- (b) Grantee shall not undertake, or allow others to undertake by Grantee's permission, acquiescence, or failure to act, activities that:
 - (1) Result in a release or threatened release of Hazardous Substances, or
 - (2) Cause, contribute to, or exacerbate any contamination exceeding regulatory cleanup standards whether the regulatory authority requires cleanup before, during, or after Grantee's use of the Easement Property.
- (c) If use of Hazardous Substance related to the Permitted Use results in a violation of an applicable law:
 - (1) Grantee shall submit to State any plans for remedying the violation, and
 - (2) State may require remedial measures in addition to remedial measures required by regulatory authorities.

8.5 Management of Contamination.

- (a) Grantee shall not undertake activities that:
 - (1) Damage or interfere with the operation of remedial or restoration activities;
 - (2) Result in human or environmental exposure to contaminated sediments;
 - (3) Result in the mechanical or chemical disturbance of on-site habitat mitigation.
- (b) Grantee shall not interfere with access by:
 - (1) Employees and authorized agents of the Environmental Protection Agency, the Washington State Department of Ecology, health department, or other similar environmental agencies; and
 - (2) Potentially liable or responsible parties who are the subject of an order or consent decree that requires access to the Easement Property. Grantee may negotiate an access agreement with such parties, but Grantee may not unreasonably withhold such agreement.

8.6 Notification and Reporting.

- (a) Grantee shall immediately notify State if Grantee becomes aware of any of the following:
 - (1) A release or threatened release of Hazardous Substances;
 - (2) Any new discovery of or new information about a problem or liability related to, or derived from, the presence of any Hazardous Substance;
 - (3) Any lien or action arising from the foregoing;

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- (4) Any actual or alleged violation of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances;
- (5) Any notification from the US Environmental Protection Agency (EPA) or the Washington State Department of Ecology (DOE) that remediation or removal of Hazardous Substances is or may be required at the Easement Property.
- (b) Grantee's duty to report under Paragraph 8.6(a) extends to the Easement Property, adjacent state-owned aquatic lands where a release or the presence of Hazardous Substances could arise from the Grantee's use of the Easement Property, and any other property used by Grantee in conjunction with Grantee's use of the Easement Property where a release or the presence of Hazardous Substances on the other property would affect the Easement Property.
- (c) Grantee shall provide State with copies of all documents concerning environmental issues associated with the Easement Property, and submitted by Grantee to any federal, state or local authorities. Documents subject to this requirement include, but are not limited to, applications, reports, studies, or audits for National Pollution Discharge and Elimination System Permits (NPDES); Army Corps of Engineers permits; State Hydraulic Project Approvals (HPA); State Water Quality certification; Substantial Development permit; and any reporting necessary for the existence, location, and storage of Hazardous Substances on the Easement Property.

8.7 Indemnification.

- (a) "Liabilities" as used in this Subsection 8.7 means any claims, demands, proceedings, lawsuits, damages, costs, expenses, fees (including attorneys' fees and disbursements), penalties, or judgments.
- (b) Grantee shall fully indemnify, defend, and hold State harmless from and against any Liabilities that arise out of, or relate to:
 - (1) The use, storage, generation, processing, transportation, handling, or disposal of any Hazardous Substance by Grantee, its contractors, agents, invitees, guests, employees, affiliates, licensees, or permittees occurring anytime Grantee uses or has used the Easement Property;
 - (2) The release or threatened release of any Hazardous Substance, or the exacerbation of any Hazardous Substance contamination resulting from any act or omission of Grantee, its contractors, agents, employees, guests, invitees, or affiliates regardless of whether the release, threatened release, or exacerbation occurring anytime Grantee uses or has used the Easement Property.
- (c) Grantee shall fully indemnify, defend, and hold State harmless for any Liabilities that arise out of or relate to Grantee's breach of obligations under Subsection 8.5.
- (d) Third Parties.

- (1) Grantee has no duty to indemnify State for acts or omissions of third parties unless Grantee fails to exercise the standard of care required by Paragraph 8.2(b)(2). Grantee's third-party indemnification duty arises under the conditions described in Subparagraph 8.7(d)(2).
- (2) If an administrative or legal proceeding arising from a release or threatened release of Hazardous Substances finds or holds that Grantee failed to exercise care as described in Subparagraph 8.7(d)(1), Grantee shall fully indemnify, defend, and hold State harmless from and against any liabilities arising from the acts or omissions of third parties in relation to the release or threatened release of Hazardous Substances. This includes any liabilities arising before the finding or holding in the proceeding.
- (e) Grantee is obligated to indemnify under the Subsection 8.7 regardless of whether a NPDES or other permit or license authorizes the discharge or release of Hazardous Substances.

8.8 Reservation of Rights.

- (a) For any environmental liabilities not covered by the indemnification provisions of Subsection 8.7, the Parties expressly reserve and do not waive or relinquish any rights, claims, immunities, causes of action, or defenses relating to the presence, release, or threatened release of Hazardous Substances that either Party may have against the other under law.
- (b) This Easement affects no right, claim, immunity, or defense either Party may have against third parties, and the Parties expressly reserve all such rights, claims, immunities, and defenses.
- (c) The provisions under this Section 8 do not benefit, or create rights for, third parties.
- (d) The allocations of risks, liabilities, and responsibilities set forth above do not release either Party from, or affect the liability of either Party for, claims or actions by federal, state, or local regulatory agencies concerning Hazardous Substances.

8.9 Cleanup.

- (a) If Grantee's act, omission, or breach of obligation under Subsection 8.4 results in a release of Hazardous Substances, Grantee shall, at Grantee's sole expense, promptly take all actions necessary or advisable to clean up the Hazardous Substances in accordance with applicable law. Cleanup actions include, without limitation, removal, containment, and remedial actions.
- (b) Grantee's obligation to undertake a cleanup under Section 8 is limited to those instances where the Hazardous Substances exist in amounts that exceed the threshold limits of any applicable regulatory cleanup standards.
- (c) At the State's discretion, Grantee may undertake a cleanup of the Easement Property pursuant to the Washington State Department of Ecology's Voluntary Cleanup Program, provided that Grantee cooperates with the Department of Natural Resources in development of cleanup plans. Grantee shall not proceed

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with Voluntary Cleanup without Department of Natural Resources approval of final plans. Nothing in the operation of this provision is an agreement by Department of Natural Resources that the Voluntary Cleanup complies with any laws or with the provisions of this Easement. Grantee's completion of a Voluntary Cleanup is not a release from or waiver of any obligation for Hazardous Substances under this Easement.

8.10 Sampling by State, Reimbursement, and Split Samples.

- (a) State may conduct sampling, tests, audits, surveys, or investigations ("Tests") of the Easement Property at any time to determine the existence, scope, or effects of Hazardous Substances.
- (b) If such Tests, along with any other information, demonstrate the existence, release, or threatened release of Hazardous Substances arising out of any action, inaction, or event described or referred to in Subsection 8.4, above, Grantee shall promptly reimburse State for all costs associated with such Tests.
- (c) State shall not seek reimbursement for any Tests under this Subsection 8.10 unless State provides Grantee written notice of its intent to conduct any Tests at least thirty (30) calendar days prior to undertaking such Tests, except when such Tests are in response to an emergency. Grantee shall reimburse State for Tests performed in response to an emergency if State has provided such notice as is reasonably practical.
- (d) Grantee is entitled to obtain split samples of any Test samples obtained by State, but only if Grantee provides State with written notice requesting such samples within twenty (20) calendar days of the date of Grantee's receipt of notice of State's intent to conduct any non-emergency Tests. Grantee solely shall bear the additional cost, if any, of split samples. Grantee shall reimburse State for any additional costs caused by split sampling within thirty (30) calendar days after State sends Grantee a bill with documentation for such costs.
- (e) Within sixty (60) calendar days of a written request (unless otherwise required pursuant to Paragraph 8.6(c), above), either Party to this Easement shall provide the other Party with validated final data, quality assurance/quality control information, and chain of custody information, associated with any Tests of the Easement Property performed by or on behalf of State or Grantee. There is no obligation to provide any analytical summaries or the work product of experts.

8.11 Closeout Assessment.

- (a) State has discretion to require Grantee to conduct a Closeout Environmental Assessment ("Closeout Assessment") prior to Termination of the Easement.
- (b) The purpose of the Closeout Assessment is to determine the existence, scope, or effects of any Hazardous Substances on the Easement Property and any associated natural resources. The Closeout Assessment may include sediment sampling. Sediment sampling includes those sample locations and parameters reported in Exhibit C as well as any additional testing State may require.

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- (c) State shall provide Grantee with written notice that a Closeout Assessment is required no later than one hundred eighty (180) calendar days prior to the Termination Date, or within ninety (90) days of any valid notice to terminate the Easement earlier than originally agreed.
- (d) Within sixty (60) days of State's notice that Closeout Assessment is required and before commencing assessment activities, Grantee shall submit a proposed plan for conducting the Closeout Assessment in writing for State's approval.
- (e) If State fails to approve or disapprove of the plan in writing within sixty (60) days of its receipt, State waives requirement for approval.
- (f) Grantee shall be responsible for all costs required to complete planning, sampling, analyzing, and reporting associated with the Closeout Assessment.
- (g) If the initial results of the Closeout Assessment disclose that Hazardous Substances may have migrated to other property, State may require additional Closeout Assessment work to determine the existence, scope, and effect of any Hazardous Substances on adjacent property, any other property subject to use by Grantee in conjunction with its use of the Easement Property, or on any associated natural resources.
- (h) Grantee shall submit Closeout Assessment to State upon completion.
- (i) As required by law, Grantee shall report to the appropriate regulatory authorities if the Closeout Assessment discloses a release or threatened release of Hazardous Substances.

SECTION 9 ASSIGNMENT

Grantee shall not assign any part of Grantee's interest in this Easement or the Easement Property or grant any rights or franchises to third parties without State's prior written consent, which State shall not unreasonably condition or withhold. State reserves the right to reasonably change the terms and conditions of this Easement upon State's consent to assignment.

SECTION 10 INDEMNITY, FINANCIAL SECURITY, INSURANCE

10.1 Indemnity.

Each Party is responsible for the actions and inactions of itself and its own officers, employees, and agents acting within the scope of their authority.

10.2 Insurance Terms.

- (a) Insurance Required.
 - (1) Grantee certifies that it is self-insured for all the liability exposures, its self-insurance plan satisfies all State requirements, and its self-insurance plan provides coverage equal to that required in this Subsection 10.2 and by Subsection 10.3, Insurance Types and Limits. Grantee shall provide to State evidence of its status as a self-insured entity. Upon request by State, Grantee shall provide a written description of its financial condition and/or

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- the self-insured funding mechanism. Grantee shall provide State with at least thirty (30) days' written notice prior to any material changes to Grantee's self-insured funding mechanism.
- Unless State agrees to an exception, Grantee shall provide insurance issued by an insurance company or companies admitted to do business in the State of Washington and have a rating of A- or better by the most recently published edition of Best's Reports. Grantee may submit a request to the risk manager for the Department of Natural Resources for an exception to this requirement. If an insurer is not admitted, the insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.
- (3) The State of Washington, the Department of Natural Resources, its elected and appointed officials, agents, and employees must be named as an additional insured on all general liability, excess, umbrella, property, builder's risk, and pollution legal liability insurance policies.
- (4) All insurance provided in compliance with this Easement must be primary as to any other insurance or self-insurance programs afforded to or maintained by State.
- (b) Waiver.
 - (1) Grantee waives all rights against State for recovery of damages to the extent insurance maintained pursuant to this Easement covers these damages.
 - (2) Except as prohibited by law, Grantee waives all rights of subrogation against State for recovery of damages to the extent that they are covered by insurance maintained pursuant to this Easement.
- (c) Proof of Insurance.
 - (1) Grantee shall provide State with a certificate(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with insurance requirements specified in this Easement and, if requested, copies of policies to State.
 - (2) The certificate(s) of insurance must reference additional insureds and the Easement number.
 - (3) Receipt of such certificates or policies by State does not constitute approval by State of the terms of such policies.
- (d) State must receive written notice before cancellation or non-renewal of any insurance required by this Easement, in accordance with the following:
 - (1) Insurers subject to RCW 48.18 (admitted and regulated by the Insurance Commissioner): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State forty-five (45) days' advance notice of cancellation or non-renewal.
 - (2) Insurers subject to RCW 48.15 (surplus lines): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State thirty (30) days' advance notice of cancellation or non-renewal.

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- (e) Adjustments in Insurance Coverage.
 - (1) State may impose changes in the limits of liability for all types of insurance as State deems necessary.
 - (2) Grantee shall secure new or modified insurance coverage within thirty (30) days after State requires changes in the limits of liability.
- (f) If Grantee fails to procure and maintain the insurance described above within fifteen (15) days after Grantee receives a notice to comply from State, State may either:
 - (1) Deem the failure an Event of Default under Section 14, or
 - Procure and maintain comparable substitute insurance and pay the premiums. Upon demand, Grantee shall pay to State the full amount paid by State, together with interest at the rate provided in Subsection 6.2 from the date of State's notice of the expenditure until Grantee's repayment.
- (g) General Terms.
 - (1) State does not represent that coverage and limits required under this Easement will be adequate to protect Grantee.
 - (2) Coverage and limits do not limit Grantee's liability for indemnification and reimbursements granted to State under this Easement.
 - (3) The Parties shall use any insurance proceeds payable by reason of damage or destruction to Easement Property first to restore the Easement Property, then to pay the cost of the reconstruction, then to pay the State any sums in arrears, and then to Grantee.

10.3 Insurance Types and Limits.

- (a) General Liability Insurance.
 - (1) Grantee shall maintain commercial general liability insurance (CGL) or marine general liability (MGL) covering claims for bodily injury, personal injury, or property damage arising on the Easement Property and/or arising out of the Permitted Use and, if necessary, commercial umbrella insurance with a limit of not less than One Million Dollars (\$1,000,000) per each occurrence. If such CGL or MGL insurance contains aggregate limits, the general aggregate limit must be at least twice the "each occurrence" limit. CGL or MGL insurance must have products-completed operations aggregate limit of at least two times the "each occurrence" limit.
 - (2) CGL insurance must be written on Insurance Services Office (ISO)
 Occurrence Form CG 00 01 (or a substitute form providing equivalent coverage). All insurance must cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract) and contain separation of insured (cross-liability) condition.

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- (3) MGL insurance must have no exclusions for non-owned watercraft.
- (b) Workers' Compensation.
 - (1) State of Washington Workers' Compensation.
 - (i) Grantee shall comply with all State of Washington workers' compensation statutes and regulations. Grantee shall provide workers' compensation coverage for all employees of Grantee. Coverage must include bodily injury (including death) by accident or disease, which arises out of or in connection with the Permitted Use or related activities.
 - (ii) If Grantee fails to comply with all State of Washington workers' compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Grantee shall indemnify State. Indemnity includes all fines; payment of benefits to Grantee, employees, or their heirs or legal representatives; and the cost of effecting coverage on behalf of such employees.
 - (2) Longshore and Harbor Worker's Act. The Longshore and Harbor Worker's Compensation Act (33 U.S.C. Section 901 et. seq.) may require Grantee to provide insurance coverage for longshore and harbor workers other than seaman. Failure to obtain coverage in the amount required by law may result in civil and criminal liabilities. Grantee is fully responsible for ascertaining if such insurance is required and shall maintain insurance in compliance with this Act. Grantee is responsible for all civil and criminal liability arising from failure to maintain such coverage.
 - Jones Act. The Jones Act (46 U.S.C. Section 688) may require Grantee to provide insurance coverage for seamen injured during employment resulting from negligence of the owner, master, or fellow crew members. Failure to obtain coverage in the amount required by law may result in civil and criminal liabilities. Grantee is fully responsible for ascertaining if such insurance is required and shall maintain insurance in compliance with this Act. Grantee is responsible for all civil and criminal liability arising from failure to maintain such coverage.
- (c) Employer's Liability Insurance. Grantee shall procure employer's liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident or One Million Dollars (\$1,000,000) each employee for bodily injury by disease.
- (d) Pollution Legal Liability Insurance.
 - (1) Grantee shall procure and maintain for the duration of this Easement pollution legal liability insurance, including investigation and defense costs, for bodily injury and property damage, including loss of use of damaged property or of property that has been physically damaged or destroyed. Such coverage must provide for both on-site and off-site cleanup costs and cover gradual and sudden pollution, and include in its

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scope of coverage natural resource damage claims. Grantee shall maintain coverage in an amount of at least:

- (i) One Million Dollars (\$1,000,000) each occurrence for Tenant's operations at the site(s) identified above, and
- (ii) Five Million Dollars (\$5,000,000) general aggregate or policy limit, if any.
- (2) Such insurance may be provided on an occurrence or claims-made basis. If such coverage is obtained as an endorsement to the CGL and is provided on a claims-made basis, the following additional conditions must be met:
 - (i) The Insurance Certificate must state that the insurer is covering Hazardous Substance removal.
 - (ii) The policy must contain no retroactive date, or the retroactive date must precede abatement services.
 - (iii) Coverage must be continuously maintained with the same insurance carrier through the official completion of any work on the Easement Property.
 - (iv) The extended reporting period (tail) must be purchased to cover a minimum of thirty-six (36) months beyond completion of work.

10.4 Financial Security.

- (a) At its own expense, Grantee shall procure and maintain during the Term of this Easement a corporate security bond or provide other financial security that State may approve ("Security"). Grantee shall provide Security in an amount equal to Five Hundred Dollars (\$500), which is consistent with RCW 79.105.330, and secures Grantee's performance of its obligations under this Easement, with the exception of the obligations under Section 8, Environmental Liability/Risk Allocation. Grantee's failure to maintain the Security in the required amount during the Term constitutes a breach of this Easement.
- (b) All Security must be in a form acceptable to the State.
 - (1) Bonds must be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better, in the most recently published edition of Best's Reports, unless State approves an exception. Grantee may submit a request to risk manager for the Department of Natural Resources for an exception to this requirement.
 - (2) Letters of credit, if approved by State, must be irrevocable, allow State to draw funds at will, provide for automatic renewal, and comply with RCW 62A.5-101, et. seq.
 - (3) Savings account assignments, if approved by State, must allow State to draw funds at will.
- (c) Adjustment in Amount of Security.
 - (1) State may require an adjustment in the Security amount:
 - (i) At the same time as revaluation, if any,
 - (ii) As a condition of approval of assignment of this Easement,

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- Upon a material change in the condition or disposition of any (iii) Improvements, or
- Upon a change in the Permitted Use.
- Grantee shall deliver a new or modified form of Security to State within (2) thirty (30) days after State has required adjustment of the amount of the Security.
- Upon any default by Grantee in its obligations under this Easement, State may (d) collect on the Security to offset the liability of Grantee to State. Collection on the Security does not (1) relieve Grantee of liability, (2) limit any of State's other remedies, (3) reinstate or cure the default or (4) prevent termination of the Easement because of the default.

SECTION 11 ROUTINE MAINTENANCE AND REPAIR

11.1 State's Repairs. This Easement does not obligate State to make any alterations, maintenance, replacements, or repairs in, on, or about the Easement Property, during the Term.

11.2 Grantee's Repairs and Maintenance.

- Routine maintenance and repair are acts intended to prevent a decline, lapse or, cessation of the Permitted Use and associated Improvements. Routine maintenance or repair is the type of work that does not require regulatory permits.
- At Grantee's sole expense, Grantee shall keep and maintain all Grantee-Owned (b) Improvements and the Easement Property as it relates to the Permitted Use in good order and repair and in a safe condition. State's consent is not required for routine maintenance or repair.
- At Grantee's own expense, Grantee shall make any additions, repairs, alterations, (c) maintenance, replacements, or changes to the Easement Property or to any Improvements on the Easement Property that any public authority requires because of the Permitted Use.
- Grantee shall follow procedures for the inspection, routine maintenance, and (d) emergency plans in Exhibit B. Upon State's request, Grantee shall provide State with a copy of complete Operation and Maintenance Manual and/or Facilities Plan.
- Upon completion of maintenance activities, Grantee shall remove all debris and (e) restore the Easement Property, as nearly as possible, to the condition prior to the commencement of work.

SECTION 12 DAMAGE OR DESTRUCTION

12.1 Notice and Repair.

In the event of any known damage to or destruction of the Easement Property or any Improvements, Grantee shall promptly give written notice to State. State

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- does not have actual knowledge of the damage or destruction of the Easement Property or any Improvements without Grantee's written notice.
- (b) Unless otherwise agreed in writing, Grantee shall promptly reconstruct, repair, or replace any Improvements in accordance with Subsection 7.3, Construction, Major Repair, Modification, and Demolition, as nearly as possible to its condition immediately prior to the damage or destruction. Where damage to state-owned aquatic land or natural resources is attributable to the Permitted Use or related activities, Grantee shall promptly restore the lands or resources to the condition preceding the damage in accordance with Subsection 7.3 unless otherwise agreed in writing.
- 12.2 State's Waiver of Claim. State does not waive any claims for damage or destruction of the Easement Property unless State provides written notice to Grantee of each specific claim waived.
- 12.3 Insurance Proceeds. Grantee's duty to reconstruct, repair, or replace any damage or destruction of the Easement Property or any Improvements on the Easement Property is not conditioned upon the availability of any insurance proceeds to Grantee from which the cost of repairs may be paid. The Parties shall use insurance proceeds in accordance with Subparagraph 10.2(g)(3).

SECTION 13 CONDEMNATION

In the event of condemnation, the Parties shall allocate the award between State and Grantee based upon the ratio of the fair market value of (1) Grantee's rights in the Easement Property and Grantee-Owned Improvements and (2) State's interest in the Easement Property; the reversionary interest in Grantee-Owned Improvements, if any; and State-Owned Improvements. In the event of a partial taking, the Parties shall compute the ratio based on the portion of Easement Property or Improvements taken. If Grantee and State are unable to agree on the allocation, the Parties shall submit the dispute to binding arbitration in accordance with the rules of the American Arbitration Association.

SECTION 14 TERMINATION

- 14.1 Termination by Breach. State may terminate this Easement upon Grantee's failure to cure a breach of the terms and conditions of this Easement. State shall provide Grantee written notice of breach. Grantee shall have sixty (60) days after receiving notice to cure. State may extend the cure period if breach is not reasonably capable of cure within sixty (60) days.
- **14.2** Termination by Nonuse. If Grantee does not use the Easement Property for a period of three (3) successive years, this Easement terminates without further action by State. Grantee's rights revert to State upon Termination by Nonuse.

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14.3 Termination by Grantee. Grantee may terminate this Easement upon providing State with sixty (60) days written notice of intent to terminate.

SECTION 15 NOTICE AND SUBMITTALS

15.1 Notice. Following are the locations for delivery of notice and submittals required or permitted under this Easement. Any Party may change the place of delivery upon ten (10) days written notice to the other.

State:

DEPARTMENT OF NATURAL RESOURCES

South Puget Sound Region 950 Farman Avenue North Enumclaw, WA 98022-9282

Grantee:

CITY OF SHELTON

525 West Cota Street Shelton, WA 98584-2239

The Parties may deliver any notice in person, by facsimile machine, or by certified mail. Depending on the method of delivery, notice is effective upon personal delivery, upon receipt of a confirmation report if delivered by facsimile machine, or three (3) days after mailing. All notices must identify the Easement number. On notices transmitted by facsimile machine, the Parties shall state the number of pages contained in the notice, including the transmittal page, if any.

15.2 Contact Persons. On the Commencement Date, the following persons are designated day-to-day contact persons. Any Party may change the Contact Person upon reasonable notice to the other.

State:

Shannon Soto, Natural Resource Specialist

Telephone number: (360) 825-1631 Fax number: (360) 825-1672

E-mail address: shannon.soto@dnr.wa.gov

Grantee:

Michael J. Michael, City Engineer

Telephone number: (360) 432-5125

E-mail address: mmichael@ci.shelton.wa.us

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SECTION 16 MISCELLANEOUS

- 16.1 Authority. Grantee and the person or persons executing this Easement on behalf of Grantee represent that Grantee is qualified to do business in the State of Washington, that Grantee has full right and authority to enter into this Easement, and that each and every person signing on behalf of Grantee is authorized to do so. Upon State's request, Grantee shall provide evidence satisfactory to State confirming these representations. This Easement is entered into by State pursuant to the authority granted it in Chapter 43.12 RCW, Chapter 43.30 RCW, and Title 79 RCW and the Constitution of the State of Washington.
- 16.2 Successors and Assigns. This Easement binds and inures to the benefit of the Parties, their successors, and assigns.
- **16.3 Headings.** The headings used in this Easement are for convenience only and in no way define, limit, or extend the scope of this Easement or the intent of any provision.
- **16.4** Entire Agreement. This Easement, including the exhibits and addenda, if any, contains the entire agreement of the Parties. This Easement merges all prior and contemporaneous agreements, promises, representations, and statements relating to this transaction or to the Easement Property.

16.5 Waiver.

- (a) The waiver of any breach or default of any term, covenant, or condition of this Easement is not a waiver of such term, covenant, or condition; of any subsequent breach or default of the same; or of any other term, covenant, or condition of this Easement. State's acceptance of payment is not a waiver of any preceding or existing breach other than the failure to pay the particular payment that was accepted.
- (b) The renewal of the Easement, extension of the Easement, or the issuance of a new Easement to Grantee, does not waive State's ability to pursue any rights or remedies under the Easement.
- 16.6 Cumulative Remedies. The rights and remedies under this Easement are cumulative and in addition to all other rights and remedies afforded by law or equity or otherwise.
- 16.7 Time is of the Essence. TIME IS OF THE ESSENCE as to each and every provision of this Easement.
- 16.8 Language. The word "Grantee" as used in this Easement applies to one or more persons, as the case may be. The singular includes the plural, and the neuter includes the masculine and feminine. If there is more than one Grantee, their obligations are joint and several. The word "persons," whenever used, includes individuals, firms, associations, and corporations. The word "Parties" means State and Grantee in the collective. The word "Party" means either or both State and Grantee, depending on context.

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- **16.9** Invalidity. The invalidity, voidness, or illegality of any provision of this Easement does not affect, impair, or invalidate any other provision of this Easement.
- 16.10 Applicable Law and Venue. This Easement is to be interpreted and construed in accordance with the laws of the State of Washington. Any reference to a statute means that statute as presently enacted or hereafter amended or superseded. Venue for any action arising out of or in connection with this Easement is in the Superior Court for Thurston County, Washington.
- 16.11 Recordation. At Grantee's expense and no later than thirty (30) days after receiving the fully-executed Easement, Grantee shall record this Lease in the county in which the Property is located. Grantee shall include the parcel number of the upland property used in conjunction with the Property, if any. Grantee shall provide State with recording information, including the date of recordation and file number. If Grantee fails to record this Easement, State may record it and Grantee shall pay the costs of recording upon State's demand.
- **16.12** Modification. No modification of this Easement is effective unless in writing and signed by the Parties. Oral representations or statements do not bind either Party.
- **16.13** Survival. Any obligations of Grantee not fully performed upon termination of this Easement do not cease, but continue as obligations of the Grantee until fully performed.
- **16.14** Exhibits. All referenced exhibits are incorporated in this Easement unless expressly identified as unincorporated.

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THIS AGREEMENT requires the signature of all Parties and is effective on the date of the last signature below.

JOHN TARRANT Title: Mayor

Address:

525 West Cota Street

Shelton, WA 98584-2239

STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES

Title: Commissioner of Public Lands

Address:

950 Farman Avenue North Enumclaw, WA 98022-9282

Approved as to form this 28 day of April, 2008 Janis Snoey, Assistant Attorney General

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REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)	
County of) ss	
appeared before me, and said person ack that he was authorized to execute the inst	evidence that JOHN TARRANT is the person who nowledged that he signed this instrument, on oath stated trument and acknowledged it as the Mayor of the City of such party for the uses and purposes mentioned in the
Dated: 5/31/11 (Seal or stamp)	(Signature)
HILLIAN TO THE PARTY OF THE PAR	(Print Name)
Notice 100	Notary Public in and for the State of Washington, residing at
	mason Country
	My appointment expires \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)	
)	SS
County of)	

I certify that I know or have satisfactory evidence that PETER GOLDMARK is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Commissioner of Public Lands, and ex officio administrator of the Department of Natural Resources of the State of Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: , 20]]

(Seal or stamp)

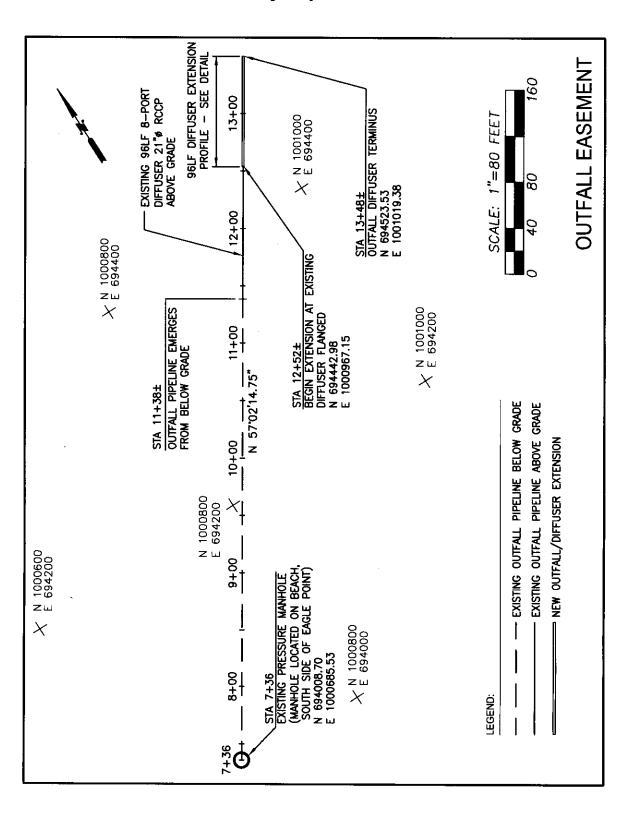
Notary Public in and for the State of Washington, residing at .

My appointment expires 11-17-13

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Temporary Exhibit A



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Easement 51-081318

Copies of Exhibit B and Exhibit C pages 31 through 203 are on file with the Washington Department of Natural Resources title and record office under the file for aquatics land outfall easement 51-081318.

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